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Daily Report

Latin America

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Daily Report

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Cuba

UN Vote on Travel: 'Important Diplomatic Victory'

FL2412030694 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] Cuba gained an important diplomatic victory this afternoon when the UN General Assembly approved Cuba's resolution on the freedom to travel, which is vitally important to family reunification. The resolution received 88 votes in favor, five against and 70 abstentions. Only the United States, Israel, the UK, Japan, and Australia voted against the measure.

The Cuban document introduces the issue for the first time in this 49th regular session without the cosponsorship of any other nation. It was debated in the framework of the third commission on cultural, humanitarian, and social issues, where it obtained 78 votes in favor, four against—the United States, Israel, the UK, and Australia—and 65 abstentions. Diplomatic sources report that the important backing of the UN General Assembly is an indication of the international community's support for Cuba, despite U.S. efforts to discourage it.

The text of the approved resolution urges the states to guarantee the universally recognized freedom to travel to all citizens of other nations who legally reside within their borders. The resolution also reaffirms that all governments, particularly those of asylum nations, should recognize the vital importance of family reunification and promote its inclusion in national laws to guarantee the protection of family unity of legal migrants.

The resolution has become particularly important because of the measures implemented by the Clinton administration last August, which limit flights from Miami by family members of Cubans residing in the United States and prohibit the sending of remittances and essentials.

U.S. Military Relocates Rafters in Panama

PA2612141894 Havana Radio Havana Cuba in Spanish 1300 GMT 26 Dec 94

[From the "Morning Information Review" newscast]

[FBIS Translated Text] The illegal Cuban immigrants lodged at U.S. military bases along the Panama Canal have said they just had the saddest Christmas they could imagine, because they feel lonely and intimidated and fear reprisals. In addition to the tense situation prevailing in these camps following violent disturbances that occurred in early December, the U.S. Southern

Command on 24 December forcefully relocated and divided families after deciding to house only men in Camp No. 1.

U.S. military authorities commented on this decision and alleged that Camp No. 1 sustained serious property damage during the riots. Following the disturbances, the U.S. Southern Command significantly increased the number of soldiers guarding the camps in which the so-called rafters live.

By 24 December, some 30 Cuban illegal immigrants confined in these camps in Panama had voiced their desire to return to the island. Meanwhile, Panamanian Archbishop Jose Dimas Cedenio deplored the conditions under which more than 8,000 rafters are living in his country.

Radio: 549 Guantanamo Refugees Authorized To Return

FL2312215694 Havana Radio Progreso Network in Spanish 1200 GMT 23 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] Miguel Alfonso, Foreign Ministry spokesman, has told the media that the Cuban Government has authorized the return to sovereign territory of 549 illegal immigrants who the United States is holding at the Guantanamo Naval Air Base.

Robaina Continues Tour of Middle East, Asia

Meets Egyptian Foreign Minister

PA2312193394 Havana PRENSA LATINA in Spanish 0249 GMT 23 Dec 94

[Report by Special Correspondent Carlos Enriquez]

[FBIS Translated Text] Cairo, 22 Dec (PL)—The Egyptian and Cuban foreign ministers, 'Amr Mahmud Musa and Roberto Robaina, held official talks at the Egyptian Foreign Ministry today.

The talks, which followed a closed-door meeting between the two ministers, were cordial. They discussed bilateral relations, several issues regarding current international events, and the situation in their respective regions and nations.

The two delegations exchanged opinions on the need to strengthen the role the member nations of the Non-aligned Movement [NAM] should play. They agreed to work in coordination with Colombia so as to ensure the absolute success of the NAM summit scheduled for 1995 in Santa Fe de Bogota.

They also discussed the benefits of increasing assistance between Cairo and Havana regarding international events and organizations.

Musa said Cuba and Egypt are still two active countries in foreign policy matters although the world has

changed. Consequently, they agree it is of utmost importance for the two nations to exchange ideas and opinions on international affairs.

The Cuban and Egyptian foreign ministers expressed their governments' will to develop bilateral political relations and to expand the current economic, commercial, and cooperation exchange between the two countries.

To ensure the continuity of today's talks, Robaina and Musa agreed Egyptian delegations would travel to Havana in 1995.

One significant visit will be that of a delegation headed by the minister of the People's Assembly and Consultative Council. Journalists, business representatives, and Foreign Ministry officials will accompany the minister.

The two ministers signed an agreement on cultural exchange upon concluding their meeting. The accord provides for the development of a more extensive relationship in this field, to include scholarships and artistic exchange.

Ismat 'Abd-al-Majid, secretary general of the League of Arab States, welcomed Robaina at the seat of the regional organization, where they exchanged views on regional and international affairs.

'Abd-Al-Majid thanked Cuba for its continued support for the cause of the Arab people. He reaffirmed the international organization's support for Cuba's struggle against the U.S. economic embargo.

Robaina also met with Fathi Surur, president of the People's Assembly and Consultative Council (legislative body) of Egypt. They also discussed the present situation in the two countries and the need to increase legislative ties between the two states.

Robaina met with the interior minister and ministers of the People's Assembly, and, lastly, he participated in a meeting with personalities in the areas of culture and the press, Latin American diplomats accredited in Cairo, business representatives, and with a group of Cuban citizens residing here.

The Cuban foreign minister will travel in a few hours to Teheran, capital of Iran, for the last phase of his extensive tour of northern Africa and the Middle East.

Stops Over in Turkey En Route to Iran

FL2512195194 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina concluded his visit to Egypt today and traveled to Tehran, the capital of the Islamic Republic of Iran. This is the last leg of Robaina's tour of North Africa and the Middle East. Robaina granted two interviews to the Turkish media during a two-hour layover in Istanbul.

Robaina was greeted by Iranian Foreign Minister 'Ali Akbar Velayati as he stepped off the plane in Tehran. They discussed the importance of Robaina's visit to the development of bilateral relations and growth in economic ties. Robaina met Cuban medical personnel working in Iran, brought them regards from the fatherland, and listened to their concerns during his first night in Iran.

Meets Iranian Foreign Minister

PA2412212194 Havana PRENSA LATINA in Spanish 0737 GMT 24 Dec 94

[FBIS Translated Text] Tehran, 24 Dec (PL)—Today Cuban Foreign Minister Roberto Robaina begins the second day of his visit to this capital on the last leg of a tour of seven countries of North Africa and the Middle East.

Robaina was greeted yesterday by his counterpart 'Ali Akbar Velayati. The two ministers discussed the visit's importance for the development of relations between the two countries and the need to increase the economic aspects of bilateral relations. The two ministers also pointed out that bilateral ties are at a high level in terms of their political aspects.

The Cuban foreign minister will have a tight schedule today that includes meetings with 'Ali Akbar Hashemi-Rafsanjani, the president of the Islamic Republic of Iran; 'Ali Akbar Nateq-Nuri, president of the Iranian legislature; and officials at the Foreign Ministry.

Also scheduled are contacts with the president of the Iran-Cuba parliamentary friendship group and other political personalities.

During his first evening in Tehran, Robaina contacted and sent greetings to members of a Cuban medical team that is offering its services here.

Earlier, Robaina had completed an extensive itinerary in Cairo that included meetings with Egyptian President Hosni Mubarak; Fathi Surur, president of the People's Assembly (parliament); and other notable personalities.

Assesses Tour

PA2712030594 Havana PRENSA LATINA in Spanish 1605 GMT 26 Dec 94

[FBIS Translated Text] Tehran, 26 Dec (PL)—Cuban Foreign Minister Roberto Robaina concluded today his official visit to Iran. This was the last leg of a tour through northern Africa and the Levant aimed at strengthening ties with countries in both regions.

In Iran, Robaina was received by Iranian President 'Ali Akbar Hashemi-Rafsanjani to whom he gave the cordial message sent by Cuban President Fidel Castro expressing the Caribbean nation's desire and will to work to strengthen their relations, especially in the economic sphere.

Rafsanjani, on his part, returned the greetings sent by the Cuban president and agreed that the furtherance of their economic ties is of interest to both nations and governments.

The Iranian leader also underscored that the economic ties between Havana and Teheran are not at the same level as their political relations and expressed his desire that the former be increased.

At the meeting with Rafsanjani, the Cuban foreign minister described his country's current situation and his people's struggle to survive and develop amid the brutal U.S. economic blockade.

Robaina's tour through the Maghreb and Levant areas included Algeria, Libya, Tunisia, Egypt, and Jordan. He also made a stopover in Rome where he met with his Italian counterpart Antonio Martino.

In all the countries he visited, Robaina was received by the respective president or chief of state. He also met with his counterparts, parliamentary officials, other ministers, and economic leaders, among others.

Assessing his tour during his stopover in Rome, the foreign minister told PRENSA LATINA that the most salient feature of his tour up to that moment, had been his perception that people have great confidence in Cuba and its people.

He added that this trust in the Caribbean island, "commits and forces us not to let down those who respect and have confidence in us."

Robaina also said that during his meetings with top-level officials and political sectors of the countries he had visited, he had heard words such as: "If Cuba resists, it is because the world resists. If Cuba does not resist, the world will not resist either."

In his statements, the minister said that the tour was basically geared toward the economic sector and had been, in general, very productive and useful.

The Cuban foreign minister should arrive in Havana from Teheran in the next few hours.

Returns to Havana

PA2712043794 Havana PRENSA LATINA in Spanish
0310 GMT 27 Dec 94

[Report by Aissa G. Garcia]

[FBIS Translated Text] Havana, 26 Dec (PL)—Cuban Foreign Minister Roberto Robaina said today that during his tour of several countries in North Africa and the Middle East, he was able to observe Cuba's capacity to communicate as well as the understanding and respect that the island has in that part of the world.

In a statement to PRENSA LATINA upon returning tonight from a visit to Algeria, Tunisia, Libya, Jordan, Egypt, and Iran, Robaina said that the Arab peoples

"have very special relations with us; their own history links them to us in a very direct manner."

Robaina said: There is great understanding for the island because throughout history, the Arabs have suffered many of the situations the Cuban people have endured, which facilitates communication between us in a very special way.

Robaina said that he was able to appreciate at all the structures and levels of political organization in these countries the admiration of the fact that Cuba still exists today.

During a scheduled stop in Rome, the capital of Italy, the Cuban foreign minister met with his counterpart Antonio Martino. During his tour he was received by the rulers of the six countries to which he paid an official visit.

Robaina said: "They believe that the fact that Cuba exists today is already a victory, and stressed that they have a debt with the island—due to the training thousands of Arab students receive here—and want to reciprocate in one way or another."

The foreign minister said that those nations "do not want to be left out of the economic opening that Cuba has undertaken; they no longer are content with simply the existence of a high-level political relationship between us and the peoples of the Arab world."

He underlined: The most important thing is that they are no longer satisfied simply with those high-level political links and want our relationship to also have parliamentary and economic facets.

Robaina said that in his meetings with the various sectors, he encountered not only those who want to explore the possibilities for investment, but also those who want to serve as a bridge so that the Cuban culture, sports, and technology will not only reach these countries, but by means of these countries will inundate the Arab world.

Robaina also said that the fact that these countries want to hear the Caribbean island's story is exceptional.

He stressed that many dignitaries told him that people resist in the world because Cuba resists, and some even said that if Cuba did not resist in reality no one (in the world) would be able to.

Lage Meets IMF Chief in Madrid

LD2412095494 Madrid RNE-1 Radio Network in Spanish 0900 GMT 24 Dec 94

[FBIS Translated Text] Carlos Lage, the father of Cuban economic liberalization, had a secret meeting in Madrid this week with Michel Camdessus, managing director of the International Monetary Fund, at the Spanish Ministry of Economy, according to a report in a Madrid

daily. Camdessus arrived in Madrid to give a lecture at a meeting in memory of Fernandez Ordonez, the late Spanish foreign minister.

The meeting between Lage and Camdessus was arranged at the request of the Spanish Government with the aim of fostering the liberalization of the Cuban economy in order subsequently to facilitate a political transition to democracy.

Nickel Investment Project With Australia Confirmed

PA2212222994 Havana Radio Havana Cuba in Spanish 1300 GMT 21 Dec 94

[From the "Morning Information Review" newscast]

[FBIS Translated Text] The Cuban corporation Commercial Caribbean Nickel and the Australian company (?Wesser) Mine Corporation have confirmed the joint implementation of a \$500 million investment project in the island's nickel mining industry. The two companies had signed a letter of intent in October 1994, but due to the size of this investment, they will have to continue to negotiate.

The project includes prospecting, exploring, and tapping the Pinales de Mayari nickel field in eastern Cuba, which is a region that had not been included in the nickel development plans. Should the operations by the Cuban and Australian companies take place, the country's first nickel refining plant would be built once the negotiations are over. In addition, the joint venture contemplates the marketing of the product. The Australian company will contribute with 65 percent of the resources, and the Cuban company will contribute with the remaining 35 percent.

Budget To Shrink 69 Percent From 1995 Levels

PA2612132094 Havana PRENSA LATINA in Spanish 0709 GMT 24 Dec 94

[Report by Gabriel Mejias Coll]

[FBIS Translated Text] Havana, 24 Dec (PL)—The 1995 government budget will be reduced 69 percent from 1994 levels. Nevertheless, while Cubans will ring in the New Year without champagne, they will enjoy increases in their social security, education, and health benefits.

The 1995 budget includes increases that feature a 4.4 percent boost in education spending, 1.9 percent in public health, 5.5 percent in science and technology, and 4.1 percent in housing and community services.

For a country with a depressed economy, expenditures such as these will not resolve but rather worsen the fiscal deficit. Nevertheless, the program established by the revolution will definitely profit from these measures.

Manuel Miyares, vice minister of finance and prices, has disclosed that the deficit created by social spending in

1993 amounted to \$388.8 million, which increased to \$449.6 million in 1994 and is estimated at \$517.3 million for 1995.

According to Finance Ministry statistics, expenditures in education and culture declined in 1994. This, however, did not happen with social security, which increased nearly 50 percent in a year in which budget revenues failed to increase.

To maintain what the Cuban Government calls "the achievements of the Revolution," as well as to increase allotments for several sectors, the island has had to implement many measures to reorder its internal finances.

The measures include the decriminalization of holding foreign exchange, the authorization of self-employment, and the granting of state lands for the establishment self-managed cooperatives.

Also, the prices of several nonessential products were increased and new rates for telephone, water, electricity, and sewage services were established. Furthermore, several subsidies were canceled and a tax system was established which, according to authorities, "attempts to protect the people's interests."

The implementation of measures to encourage financial cleansing, according to one expert consulted by PRENSA LATINA, will help reduce 1994's projected fiscal deficit of \$3.620 billion by as much as \$1.4 billion. The reduction, he said, will come from price increases on several products, such as cigarettes and alcoholic beverages, as well as from increased production of these products.

The combination of inefficiency and subsidies has harmed the country's finances and contributed to a decline in the GNP within the last five-year period. Now, the government is attempting to eliminate inefficiency and to partially move away from subsidies.

According to recent studies that appeared in the Union of Young Communists weekly publication, subsidies have turned young people into passive individuals who accepted these benefits as "something owed to them."

A poll conducted among 3,000 Cuban families regarding the people's economic concerns showed that the measure that has most affected household budgets was the hike in electricity rates.

This was followed by the rise in the price of cigarettes and cigars. Third was the increase in transportation fees, fourth was the increased cost of food, and fifth were higher prices for alcoholic beverages.

In low-income sectors, most people surveyed admitted they could not cover their expenses with their salaries, while a majority of higher-income people said they considered the cost of living to be affordable.

Regarding the future, 54 percent of those polled believed the crisis would be overcome in the long-term, 24 percent in the mid-term, and 5 percent in the short-term. Meanwhile, about 5 percent said it will be impossible to overcome difficulties and maintain the nation's social achievements.

Although there is agreement that these changes are required, no one wants to sacrifice the nation's social achievements. That is why they accept, albeit bitterly, the medicine of increasing their contributions to public coffers, which should result in new benefits for them.

Lage, Social Security Chief Comment

FL2712002594 Havana Cuba Vision Network in Spanish 1800 GMT 25 Dec 94

[Report by Maricela Racasens; from the "Sunday Supplement" newscast]

[FBIS Translated Text] The Cuban social policy continues to place priority on protecting lower-income sectors. The amount in the 1995 budget allotted to social assistance is therefore 57 million pesos more than the 1994 budget allotment. Over 100,000 people receive social assistance in Cuba, among them the elderly not earning sufficient funds, single mothers with several children, and others who are unable to work. Nevertheless [words indistinct] the group of economic measures [words indistinct] workers' contribution to social security. [Words indistinct] and pensions, at the present time there is a deficit of 679.5 million pesos.

[Begin recording] [Francisco Linares, minister president of the State Committee for Labor and Social Security] [Words indistinct] precisely that for Cuba the Revolution has succeeded in all the efforts of the previous years and all the steps that have been taken. Social security is very expensive because a worker's life expectancy is long. At the end of 1993, there were approximately 1.2 million retirees and pensioners, an extremely high number, one out of every three workers, or every three workers [words indistinct] [end recording].

Recent events show that if social security laws are not changed, the deficit is expected to be more than 3.5 billion pesos by the year 2010. Another element essential to maintaining economic and social order is the opening of the economy to foreign investment. In spite of the daily impact of the blockade, Cuba maintains ties with more than 3,000 foreign firms from 98 nations. In the investment area, more than 165 [words indistinct] have been created, embracing 26 branches of the economy, promising a bright future in the nickel and petroleum sectors.

[Begin recording] [Carlos Lage Davila] We are opening the economy and promoting foreign investment today to benefit the people. By taking these steps [words indistinct] we are not pursuing the enrichment of certain sectors of the population, the enrichment of businesses

or businessmen. All the steps Cuba is taking to open up the economy are being undertaken to benefit the people. [end recording]

[Words indistinct] at the end of 1994, the economic association calculated a foreign financial investment of \$1.5 billion. This strategy is necessary because of current international conditions under which the neoliberal policy of free trade has become fashionable.

Poll: Socioeconomic Future Viewed 'With Optimism'

PA2712041094 Havana PRENSA LATINA in Spanish 1630 GMT 26 Dec 94

[FBIS Translated Text] Havana, 26 Dec (PL)—Most Cubans view their country's socioeconomic future with optimism, according to a recent poll conducted by the Center for Sociopolitical and Opinion Studies [Centro de Estudios Sociopoliticos y de Opinion], published by TRABAJADORES weekly today.

The survey, in which 3,000 Cuban families from 131 towns from the entire island were polled, revealed that 79 percent of the people who were questioned felt optimistic about the future of their nation in the socioeconomic field.

Approximately half of those interviewed said that with the measures that are being taken, there are possibilities of saving the country in the long run, while 24 percent said in the medium run, and another 5 percent said in the short run.

The publication states that 1994 "has left us an encouraging balance" and explains that the deterioration of the economy has stopped, productive recovery in vital areas has begun, the state's financial situation and the people's liquidity have improved, and Cuba's international authority and confidence in its socioeconomic strategy have grown.

TRABAJADORES states the preceding is immediately felt in the atmosphere that prevails in work centers and in most Cuban homes, which are "imbued with national pride after seeing tangible results, which increase their trust in the future."

The polls confirm the atmosphere of optimism that prevails today among the workers and the population regarding the country's economic future, the publication adds.

The weekly also states that "the Cuban people once again demonstrated their capability to resist, the determination to do it creatively, and the strength of socialism, of our social system, which is the compass of our revolution and which will soon be 36 years old."

Likewise, the publication said that an increasing number of people is becoming concerned about the high cost of living and its effects on the poorest segments of the population.

The editorial published by TRABAJADORES also noted that the Cuban state did not abandon in 1994 its policy of providing social assistance to low-income families, it kept the prices of basic commodities down, and continued to provide free social services to the entire population.

According to the publication, in 1995, the island intends to increase by 58 percent budget expenditures aimed at providing social assistance and has decided to study ways to more appropriately protect the segment of the population that could be the most adversely affected by the complex process of economic change.

Raul Castro Attends Vietnamese Embassy Reception

FL2412000394 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Do Muoi, Vietnamese Communist Party general secretary, has said that he is confident that both Cuba and the SRV [Socialist Republic of Vietnam] will overcome current difficulties without giving up the socialist project. Do Muoi said during an exclusive interview with PRENSA LATINA's correspondent in Hanoi that renewal is also a revolutionary process and that Cuba and the SRV are in the midst of this renewal, each country going about the task according to its own circumstances and characteristics. However, Do Muoi pointed out that there are many similarities between Cuba and the SRV: We are fighting for our independence and sovereignty, and today, more than ever before, we are determined to defend our accomplishments. Taking advantage of the occasion, Do Muoi reiterated the SRV's gratitude for Cuba's constant solidarity and sent a congratulatory message to Cuba on the Revolution's 36th anniversary.

Revolutionary Armed Forces Minister Raul Castro Ruz has attended a reception hosted by the Vietnamese ambassador in honor of the Vietnamese People's Army's 50th anniversary. Abelardo Colome Ibarra, Politburo member and corps general, and other generals, officers, and diplomatic representatives accredited to Cuba also attended the embassy reception.

Raul Castro Praises Construction Workers

FL2712025894 Havana Radio Rebelde Network in Spanish 0000 GMT 27 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] In the name of Commander in Chief Fidel Castro, Raul Castro, second secretary of the Central Committee, today congratulated members of the Campana de las Villas Contingent, at ceremony celebrating the completion of the causeway between Cay Varien and Santa Maria Key. The Minister of the Revolutionary Armed Forces recognized the feat of the

contingent from Villa Clara, which he described as the cream of the crop of contingents.

Raul presented Orlando Rodriguez, chief of the construction workers, with a replica of the yacht Granma as a symbol of the efforts put forth to reach their goal.

Sugar Minister Stresses Harvest Quality, Efficiency

FL2412152794 Havana Radio Progreso Network in Spanish 1100 GMT 24 Dec 94

[From the "First Thing" program]

[FBIS Translated Text] During a harvest analysis meeting in Havana, Sugar Industry Minister Nelson Torres stressed the need to focus on the quality of sugarcane-cutting procedures and on increasing the grinding rate. Torres emphasized the importance of improving on the average grinding rate of 85 percent and added that some provinces are currently not reaching that goal. Nelson Torres reiterated the importance of completing the harvest in April as an essential requisite to fulfilling next year's sugar production program and described as indispensable attainment of the highest possible efficiency in every mill to produce more sugar from less sugarcane.

Commentary on Efforts To Combat Low Sugar Production

PA2512032894 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Dec 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban factories specializing in grinding sugarcane are preparing to continue their never-ending work, even at year's end, with the objective of not losing a single minute in the sugar harvest corresponding to the 1994-1995 period, which has been perceived as a productive effort—albeit one with shortfalls, but nevertheless effective.

The government, its officials, and other specialists associated with this sector are currently engrossed in a program to resuscitate sugar production, which in recent years has displayed a downward trend in terms of the amounts delivered.

Cuban President Fidel Castro recently described the state of sugarcane farming as disastrous. This sector has been drastically hampered by acute shortages of fertilizers and herbicides, as well as an erosion of the technological discipline involved in the complex system of planting, cutting, and grinding.

The country is currently undertaking tremendous efforts aimed at revitalizing the main sector of its economy, despite the scarcity of currency caused by the decline in production from 8 million to 4 million tonnes annually.

Following the disappearance of the socialist bloc—the country's traditional sugar market, as well as and its primary supplier of spare parts and raw materials used in the agricultural and sugar industries—Cuba found itself abruptly deprived of critical items with which to continue its ambitious production program.

Now, when cane cutters proceed to cut cane that has not been properly irrigated and has not been treated with fertilizers or herbicides, a large portion of that physical effort is lost because the sugar mills will only grind raw sugar that meets minimum standards.

Cane cutters productivity is greatly influenced by the conditions of the cane fields. Now, the main feature of these fields is one of thin sugarcane, frequently surrounded by thick grasses that cannot be cut manually.

Cuba is currently confronting high production costs caused by low yields. In addition, the country is being forced to invest large sums in periodic maintenance of the sugar mills only to have them operate for no more than two months because of the scarcity of sugarcane.

Despite all of this, there exists a strategy to overcome the crisis—one that involves, first of all, a search for capital financing to purchase fertilizers, herbicides, and crude oil needed to improve irrigation.

As part of its economic opening, Cuba is ready to receive investments in this strategic sector. This, along with structural and organizational measures, such as the creation of new types of cooperatives that can manage state-owned property and a return to strict technological discipline, should contribute to correcting the current situation.

Mining Law Offers Guarantees to Foreign Investors

PA2412200094 Havana PRENSA LATINA in Spanish
0732 GMT 23 Dec 94

[FBIS Translated Text] Havana, 23 Dec (PL)—The Mining Law approved by the National Assembly of the People's Government [ANPP] on 21 December offers guarantees to foreign investors yet preserves national sovereignty over these resources according to local specialists.

Basic Industry Minister Marcos Portal said upon presenting the legislation for approval the law gives confidence to foreign investors and favors development through the entry of foreign capitals.

The law, which is essential for the country's mining operations, fills a legal void just when they are rapidly multiplying.

An area of 30 square km of the 37 mining areas with a total of 40,000 square km offered for foreign participation are already contracted according to Portal. It is estimated the total surface will have been awarded in concessions by the end of 1995.

Cuban mining activity, which basically entails the exploration and extraction of gold, silver, copper, chrome, zinc, nickel, and cobalt, is helped by the geological mapping of 45 percent of the country, to a scale of 1:50,000.

In addition, 100 percent of the country has been mapped aerially, a process which has permitted the calculation of the island's reserves in 30 nickel and cobalt fields at approximately 300 million tons, 37 percent of the world's reserves.

More than 30 contracts for the search and exploration of minerals had been signed up to September between the Cuban state and foreign firms, an additional two for services, and another for exploiting the Mantua copper field, as well as two association agreements for feasibility studies for gold, lead, and zinc fields.

Chapter II of the law establishes "the state has the inalienable and imprescriptible right to the subsoil, the mines, and all the mineral rights, wherever these may be found, as part of the constitutional regulations."

To exercise the law, the National Office of Mineral Resources was created as a legally established institution under the Basic Industry Ministry, which will check and control mining activities and the rational use of resources.

The law clarifies that radioactive minerals and liquid and gaseous hydrocarbons are regulated by their respective legislations.

The mining law classified mineral resources as such: nonmetallic minerals used as construction material or raw material for industry, including precious or semiprecious stones.

A second group consists of metallic minerals, precious as well as ferrous and nonferrous, and other components of such resources. A third group is energy-bearing minerals, and a fourth group consists of medicinal water and mud, natural mineral water, and thermal water, among others.

The fifth and last group consists of mineral concentrations including residues of mineral activities and geological resources not specified in the other groups.

The law also established the Council of Ministers or its Executive Committee will grant or deny mining concessions as well as their annulment and elimination.

As for taxes, the law indicates concessionaires must pay the state for mining activities two pesos (the dollar equivalent at the official exchange rate) per hectare each year during the prospecting phase, five pesos per hectare during the exploration phase, and 10 pesos per hectare during the exploitation phase.

When warranted by the conditions of the exploitation and the mining production, the law will estimate the payment of royalties on production sales, the average

trimestral price of the product on the world market, or the value expressly agreed on by the state and the investor.

Among the incentives for mining companies, the law states the Council of Ministers or its Executive Committee may authorize concessionaires to use a portion of pretax revenue to amortize expenses which are incurred during the prospecting and exploration phases and which are recognized as reimbursable.

When the continuity of mining operations is jeopardized, the concessionaire company may request a deferment in royalty payments.

An additional guarantee is granted to investors by the first special provision on the law stating no change introduced to the legislation will affect the terms and conditions of a concession for 25 years after its granting.

Roundup of Economic Developments

FL2612031394

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 26 December.

Sugarcane planting in Matanzas Province was slow during the second week of December. Workers in the province have planted only 853 caballerias so far, threatening the winter campaign goal calling for 12 caballerias to be planted daily. (Havana Radio Rebelde Network in Spanish 1000 GMT 15 Dec 94)

Matanzas Province oil workers hope to extract 1,000,000 tonnes of crude oil in 1995. This is possible with the resources in Varadero, the main oil well in Cuba. Workers expect to reach the 1994 goal of 888,000 tonnes by 18 December and to extract 30,000 additional tonnes by 28 December. (Havana Radio Rebelde Network in Spanish 1000 GMT 15 Dec 94)

Camaguey restaurant workers have donated over \$18,800 to the health sector, which will help buy medicine for cancer patients. (Havana Radio Progreso Network in Spanish 1200 GMT 16 Dec 94)

Cuban oil workers have reached their 1994 oil extraction goal ahead of schedule: They have extracted 1.28 million tonnes of oil so far and are planning to increase extraction by 9 percent in 1995, to reach a goal of 1.4 million tonnes of oil. (Havana Radio Rebelde Network in Spanish 1000 GMT 16 Dec 94)

Among Guantanamo Province's most important socioeconomic achievements for 1994 are the completion of 1,500 houses and the harvesting of 1,000,000 quintales of tubers and vegetables. (Havana Radio Rebelde Network in Spanish 1000 GMT 16 Dec 94)

The Ceballos enterprise, in Ciego de Avila Province, has harvested approximately 4,500 tonnes of grapefruit. The grapefruit campaign, which is going well, will end at the

end of December with over 6,000 tonnes of fruit for export as concentrated juice. (Havana Radio Rebelde Network in Spanish 1000 GMT 16 Dec 94)

Construction workers on the Isle of Youth have during 1994 enlarged Alevina G soft drink factory, remodeled the Nueva Gerona aqueduct, and refurbished five Asian specialty restaurants. They have also finished more than 100 kilometers of road and approximately 200 houses and repaired six rural schools and several daycare centers. (Havana Radio Reloj Network in Spanish 2038 GMT 16 Dec 94)

Sancti Spiritus tobacco workers, although hindered by lack of rain, have planted approximately 400 of the 504 caballerias projected for the winter planting campaign. Sancti Spiritus is the second highest tobacco producing province in Cuba. (Havana Cuba Vision Network in Spanish 0100 GMT 23 Dec 94)

Santiago de Cuba has shown economic recovery in 1994 in the construction, farming, forestry, and communications sectors. A nine percent increase in production over 1993 and reduction in expenses was reported. (Havana Cuba Vision Network in Spanish 0100 GMT 23 Dec 94)

Sancti Spiritus Province workers have planted 1,300 caballerias of sugarcane this year. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Dec 94)

Revolutionary Armed Forces and Youth Labor Army members will harvest 150 caballerias of tomatoes in Pinar del Rio Province. A total of 142 caballerias have already been planted. The remaining caballerias will be planted in the next few days. (Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 24 Dec 94)

Las Tunas produced more than 300 million pesos of merchandise in all sectors at the end of November. 86 percent of their projected goal and 6.6 percent higher than the same period in 1993. (Havana Radio Rebelde Network in Spanish 0000 GMT 24 Dec 94)

According to a 23 December, Havana-dated report, Roberto Ogando, president of the Tourism Palace, a facility built in 1991 to promote the historical and cultural wealth of Havana, today announced that the palace netted more than \$2 million in 1994. He added that the Tourism Palace is no burden on the state because it is self-sufficient; in fact, it has contributed more than \$1.5 million to the national budget from 1992 and 1994. (Havana PRENSA LATINA in Spanish 2136 GMT 23 Dec 94)

Cuban tourism revenues in 1994 are expected to increase by 13 percent over 1993. Tourism Ministry officials have reported that this industry—along with aviation and communications industries, as well as others—could yield about \$850 million in net revenues. He added that tourism finances more than 70 companies and centers and employs more than 54,000 workers. (Havana Radio Havana Cuba in Spanish 1300 GMT 24 Dec 94)

Bahamas

Defense Force, U.S. Officials Bring Haitians Aid

FL2612140094 Nassau Bahamas Radio Network in
English 1300 GMT 26 Dec 94

[FBIS Transcribed Text] Relief efforts are now coming in for over 600 illegal Haitian nationals who are stationed in Inagua. Defense force personnel and U.S. representatives visited the island over the holiday weekend to supply the immigrants with various needs. Businessman Mr. Leon Turnquest provides us with an update from Inagua:

[Begin Turnquest recording] So, it seems as though the Bahamas is going to be facing the same thing over and over, because one set going back home and the next set coming out. And they cause the people in the Bahamas problems: It's our money we are going to take to feed these people, because if (?Americans) had their C-130 plane coming here [words indistinct] when they were out of food, they literally had and we can't afford to keep buying food for them [words indistinct]. It's a good thing the defense force had some people coming from Nassau to help keep law and order. But, anyhow, right now they have (?them) down to the airport. You had the national guard yesterday [words indistinct]. So, the only thing we have to [words indistinct]. They brought in some 12 tons of food and medicine, supplies. So far, everything is okay. But, they all come on one boat. There isn't two. [Words indistinct] bringing me up to date to let you know. [end recording]

The Haitian immigrants are being accommodated in various tents at the Inagua airport.

Over 600 Haitians Reportedly Captured 23 Dec

FL2612183094 Nassau Bahamas Radio Network in
English 1800 GMT 26 Dec 94

[FBIS Transcribed Text] No changes yet on the fate of over 600 illegal Haitian immigrants who were captured near Inagua on Friday past [23 December]. The group is still being accommodated at what is being called Tent City at the Inagua airport. Over the holiday weekend, defense force personnel and a U.S. team provided the Haitian immigrants with supplies of food and clothing.

Haiti

Finance Minister Confirms Army To Receive Pay

FL2312195694 Port-au-Prince Radio Metropole in
French 1700 GMT 23 Dec 94

[FBIS Translated Text] All military personnel will receive their December pay. The Finance Ministry makes a point of informing all Haitian Armed Forces personnel that they will receive their December pay. Some Haitian military personnel have been grumbling since 21 December, particularly those who learned

through an army memorandum that only 1,500 personnel would receive their salary for this month. The finance minister asserted that there was a misunderstanding as to the new government measures regarding the army and that all military personnel will receive their paychecks for the month.

Assembly Leader Fears Plot To Kill Aristide

FL2312232394 Port-au-Prince Signal FM Radio in
French 1230 GMT 22 Dec 94

[FBIS Translated Excerpt] Eddy Volel, leader of the Haitian Christian Democratic Assembly [RDC], has denounced certain quarters for plotting to assassinate President Jean-Bertrand Aristide. Volel told Signal FM that he is surprised that security problems have returned to some parts of Haiti. Furthermore, the RDC leader asked the government to take firm and proper measures to drop the prices on essential food products—that is, rice, peas, and corn. Kenol Dorvil interviewed Volel:

[Begin Volel recording, in Creole] Misery is not sweet. The people suffered a lot. The people suffered a lot for Aristide's return. The people did not expect that there would be security problems after Aristide returned. The security problem has decreased considerably, and we congratulate Aristide. However, there security problems remain. We, in the RDC, are very worried about security and are not happy with a lack of security. We would like the people to enjoy their democracy, their freedom in full without being worried.

They [not further identified] are meeting in every city, on every mountain, in every province, in Santo, and in the Dominican Republic. They are training 500 people. They are using their money—their drug-related money and money they stole—to buy weapons so that they can come and invade the country, destroy the country. They are still willing to pay people to kill President Aristide. Haiti's security problem is too serious. There should not be a security problem. We, in the RDC, think the government should be firmer with those who create security problems. Almost all those people... [pauses] All those people should be arrested. The government should even arrest... [pauses] It has the right to denounce somebody, to arrest him or her, and to send him or her to court. Nobody has the right to stage a coup d'etat and cause so much disorder and then say there is no proof. [passage omitted]

Aristide Receives CEP Members, Urges Them to 'Mature'

FL2312143394 Port-au-Prince Radio Metropole in
Creole 2100 GMT 22 Dec 94

[FBIS Translated Excerpt] The nine members of the Provisional Electoral Council [CEP] took their oath today. President Aristide received them at the National Palace and spoke of the need for the CEP members to perform well. He asked that the elections unfold in a climate of security and proper dialogue.

[Begin Aristide recording] I am hoping for all candidates, all political parties, and all Haitians to work together with the international community first to establish a total and complete climate of security throughout the country so all candidates feel at ease when they are campaigning; so they are not afraid, dissatisfied, or worried; so they feel that a beautiful democratic experience is safely evolving.

Second, I hope that everyone respects the rules of the game; third, that everyone continues to communicate well; fourth, that we be guided by the spirit of tolerance in the polling experience. Fifth, I hope that the reconciliation vitamin and the justice fertilizer nurtures all those who are growing politically so they can keep growing and become more mature in politics. If someone thinks he is mature enough, that is an indication that he is not yet ripe; even less, he is not yet green [si yon mounpanse ou fin mi, konnen ou poko menm rek, alewe pou ta gen tan vet]. Thus, you must continue growing politically every day. This political growth will permit you to place the nation's interests before personal interests so the election can be held properly. Finally, it will allow those who win the elections and those who fail to join hands to make progress in democracy. [end recording]

CEP member Marie-Laurence Jocelyn Lassegue gave the guarantee that the elections will unfold in a climate of confidence. [passage omitted]

Further on Meeting

FL2312214094 Port-au-Prince Signal FM Radio in French 1130 GMT 23 Dec 94

[FBIS Translated Excerpt] Nine Provisional Electoral Council [CEP] members were sworn in on the morning of 22 December at the Court of Cassation, the highest judicial authority in the country. They then went to the National Palace to meet President Jean-Bertrand Aristide. The head of state told council members that he hopes that the legislative elections will take place as soon as possible and that the electoral campaign will unfold in a climate of justice, reconciliation, tolerance, dialogue, and security:

[Begin Aristide recording] We are looking at this political reality in light of our own experience, from 16 December 1990 through 15 October 1994. We are resolutely moving toward this state of law today with the CEP's birth. Elections are one path to the new Haitian society. We are happy to hail the CEP's birth. We are happy to see that at the end of a process of dialogue, research, concerted action, and respect for the political parties that the Senate—through its president and the office of the Senate presidency—and the Chamber of Deputies—through its president and members of the office of the presidency—have managed to articulate together this pedagogy in which the three powers which respect one another agreed to create this CEP.

We will let this same spirit lead us so that the elections take place in this same climate, a climate of dialogue, a climate of respect for other's rights, a climate of listening. We are

listening to one another. We are criticizing one another. We take criticism that is sometimes constructive, necessary, and even essential. If it is a question of building a state that must not be—as Hegel said—a photocopy of the civilian society but in the service of this civilian society, the criticism will very often help us accelerate the process and strengthen a democratic process. [end recording]

The president also called upon all sectors, including the international community, to participate in these elections. Aristide said that the nation's interests must be placed over those of parties and clans. Haitian Army General Staff personnel, U.S. Ambassador to Haiti William Lacy Swing, and Haitian political personalities attended the meeting. [passage omitted]

PACAPALHA's Romain Announces Support for CEP

FL2312155894 Port-au-Prince Signal FM Radio in Creole 1230 GMT 22 Dec 94

[FBIS Translated Text] The Patriotic Camp and Haitian Alliance Party [Parti Camp Patriotique et de l'Alliance Haitienne, PACAPALHA] says it is faithful concerning the Provisional Electoral Council [CEP]. PACAPALHA leader Franck Romain [former Army Colonel and former Port-au-Prince mayor reputed to be the sponsor of the 11 September 1988 Saint-Jean Bosco slaughter] says he does not see why people are criticizing the formation of the CEP for including President Aristide's friends. Romain is confident that the CEP members will behave as honest people while organizing the forthcoming elections.

[Begin Romain recording] As I am going to participate, as I told you....[pauses] My party will participate in the elections through a front. So, it is normal that I am concerned about the CEP, its constitution, the people composing it, and so on. But it is also true that many sectors other than the official sectors are worried because they see in this CEP—as I could say—they say it is an instrument in the hands of the sector in power given that most of the people composing it are close to the power in place; that is, they are partisans of lavalas [lavalassiens], of Aristide [Aristidiens], or others. I look at this matter cold-bloodedly because my opinion is that people should be judged according to how they behave, according to what they do, according to what I see them doing. I do not like to judge people beforehand or to have preconceived opinions about people. I think no matter what citizen might be chosen to be part of the CEP, he or she might have his or her trends. He or she may have his or her leanings. Obviously, the difference between.... [pause] is big because the government, the power in place, actually has a relatively strong number of representatives within the CEP. But at the start, I do not see why I cannot trust them. If you take Mrs. Lassegue for example: She was minister under the Aristide-Preval government—she was information minister; she is a journalist; she is a well-known lady. But as far as I can remember, as a Haitian, I have not yet experienced any action committed by her that would prompt me to doubt her (?honesty). [end recording]

Franck Romain announced during the week that his party will participate in the upcoming elections under the banner of a front. Serge Gilles, leader of the Nationalistic Progressive Revolutionary Party of Haiti (PANPRA), threatened, during a news conference, to boycott the next elections and denounced the Court of Cassation's choice of CEP members as a blow to democracy. President Aristide chose Maurice Jeudy of PANPRA as one of the members designated to be part of the CEP.

President Aristide will meet with the nine members of the CEP on the morning of 22 December.

Party Leader: CEP 'Pure Electoral Mockery'

FL2312131994 Port-au-Prince Signal FM Radio in Creole 1230 GMT 22 Dec 94

[FBIS Translated Excerpt] On the local plane, regarding the election issue and the Provisional Electoral Council

[CEP], the founder/president of the Haitian Social Christian Party [Gregoire Eugene] says he has many doubts about this CEP. [passage omitted]

[Begin Eugene recording, in process] ...of the next legislative elections for the future of the country and the [word indistinct] of the pluralistic democracy in Haiti. It is inconceivable that the government, through the choice of members of an indefinable electoral council, would serve the Haitian nation with a pure electoral mockery and prepare to substitute for the national sovereignty a plan to simply appoint quote-unquote partisan representatives and thus monopolize the Haitian Parliament. There are those who are notoriously known for their political loyalties and their militancy, who should have—all the same—refused, out of decency, to be chosen as part of an organization that is supposed to be made up of politically neutral and morally credible personalities intended to balance the scales between the candidates regardless of any political, ideological, and doctrinal belonging. [end recording]

Army Tightens Cordon Around EZLN-Controlled Areas*PA2412215894 Mexico City LA JORNADA in Spanish 23 Dec 94 p 7*

[Report by Jose Gil Olmos and Alonso Urrutia—words within italics as published]

[FBIS Translated Text] Because of the disappearance of buffer zones and because the cease-fire was broken 14 days ago, Mexican Army troops have advanced their positions, particularly in the region of Los Altos, tightening even further the cordon around the municipalities of Altamirano, Ocosingo, and Las Margaritas. Since 22 December, journalists have not been allowed to enter the hamlet of Guadalupe Tepeyac, one of the main enclaves of the Zapatist National Liberation Army (EZLN). According to *Subcommander Marcos*, the EZLN has taken control of 38 municipalities since 11 December. Meanwhile, entry into Morelia ejido and Altamirano Municipality also has been prohibited.

Last week's redeployment of forces from the two armies have increased tensions, and everything indicates that conditions now exist to spark a war within the conflict zone or in Los Altos because of the proximity in which soldiers and rebels are finding themselves. For instance, the two sides today are less than 1 km apart near the town of San Andres Larrainzar.

Air and rail deployments of a large amount of military equipment, trucks, planes, tanks, and troops have been observed over the past two weeks in Tuxtla Gutierrez in the center of Chiapas, as well as in Tapachula near the state border. The Army has increased its reconnaissance activities and the number of roadblocks since 8 December—the day when Eduardo Robledo took office and when the EZLN declared the swearing-in meant a break in the cease-fire. Since then, traffic in and out of San Cristobal de las Casas has been monitored by way of four roadblocks, two more than before 8 December. Meanwhile, heavily armed military policemen are guarding the San Cristobal Municipal Palace and the new administrative offices.

As for the increase in the number of troops, unofficial reports estimate some 60,000 soldiers have been deployed in the area. Also, the number of military reconnaissance flights has increased over San Cristobal de las Casas, Comitán, Guadalupe Tepeyac, Morelia ejido, Las Margaritas, San Andres Larrainzar, and Ocosingo.

We have been able to observe the new "combat" zone, which has expanded since 19 December. According to reports from Guadalupe Tepeyac, where *Subcommander Marcos* held a news conference at 0200 to announce the breaking of the military cordon, the Zapatists have blocked the dirt road leading into Las Margaritas with logs and ditches.

As one travels through the hamlet of Nuevo Momon, war preparations within Zapatist-controlled territories

become evident as signs that read "Danger, Mined Zone" go up alongside roadways.

Meanwhile, the road from Ocosingo to San Miguel ejido, which used to be a buffer zone along with Guadalupe Tepeyac, has also been blocked with logs, branches, and ditches since 19 December. In short, the access roads leading to the former buffer zones of San Miguel and Guadalupe Tepeyac have remained closed since 19 December.

Currently, military air and ground patrols are increasing in the cities located in the strife-torn areas. Since 22 December, constant overflights have taken place day and night over Comitán and Las Margaritas, according to residents of these two towns. Similar overflights also were observed in the early morning of 19 December in Guadalupe Tepeyac.

The movements by the EZLN and the Mexican Army have created new locales for likely confrontations. There used to be only three such locations—Altamirano, Ocosingo, and Las Margaritas. Today, a few days before Christmas, there are other likely areas of conflict—namely, Simojovel, Bochil, Yajalon, Sabanilla, Pantelho, San Andres Larrainzar, and, once again, San Cristobal de las Casas.

Federal Troops Reportedly Enter Lacandona Jungle*PA2612013494 Madrid EFE in Spanish 2229 GMT 25 Dec 94*

[FBIS Translated Text] Mexico City, 25 Dec (EFE)—This weekend members of the Mexican Army took up positions in Lacandona Jungle in the state of Chiapas, a territory under the control of the rebel Zapatist National Liberation Army (EZLN).

Soldiers surrounded by land and air the territory where the Zapatists had entrenched themselves and occupied barracks in the towns of Flor de Cafe and Amparo Agua Tinta, which were abandoned when the uprising began.

With the occupation of these barracks, federal troops have taken up positions in Lacandona Jungle for the first time since 12 January, when a bilateral cease-fire was declared following the start of the armed conflict on 1 January of this year.

Some 300 soldiers took up positions a few meters from Zapatist communities and installed a new roadblock in the tourist area of Lagos de Montebello, where they set up barricades.

According to observers, the Army has virtually surrounded the territory occupied by the rebels. If hostilities resume, it will be easier for them to regain control of the jungle from the positions they have now taken.

Residents of the region reported that since last Friday, when the movement of federal troops toward the Lacandona Jungle began, they have been harassed at the

Army's roadblocks. They added that planes continue to fly over their communities day and night while soldiers interrogate residents and accuse them of belonging to or supporting the EZLN.

Meanwhile, a Zapatist leader told EFE that the heightened military presence in the area is "high risk" because it is an act of provocation aimed at resuming the hostilities "even though the government speaks of peace." The rebel, who asked to remain anonymous, said government officials have "a double standard," because on one hand they speak of peace and on the other the Army takes up positions in the jungle, which is considered rebel territory. He said certain EZLN troops are already on the border between Tabasco and northern Chiapas as part of a "peaceful" mobilization initiated last Monday.

Tabasco Police Units Mobilize Against EZLN

PA2412135194 Mexico City LA JORNADA in Spanish
23 Dec 94 p 5

[Report by Rene Alberto Lopez]

[FBIS Translated Text] Villahermosa, Tabasco, 22 Dec—Federal Judicial Police (PJF) units assigned to Tabasco State were mobilized to a strip along the border between Tabasco and Chiapas due to the presence of the Zapatist National Liberation Army (EZLN), which has infiltrated Tabasco State through the mountain region of the Chiapas municipality of Sabanilla.

Policemen armed with long-range weapons were seen at the Attorney General's Office this morning being transferred in suburban vehicles to various areas along the northern border with Chiapas.

It is known there are more than 1,000 PJF members available in Tabasco. Originating from other states and from the nation's capital, the number of federal agents has increased dramatically due to the blockades at oil installations by militant members of the PRD [Party of the Democratic Revolution] and now by the presence of armed groups along the borders of Tabasco.

The PJF has established "checkpoints" along the federal roads to prevent the "possible" smuggling of arms "to the Tabasco communities" according to an agent.

The PJF is also permanently guarding the Villahermosa Airport. The comings and goings of policemen with their traditional black uniforms are becoming routine at that airport.

Meanwhile, near the Tabasco town of Raya Zaragoza, guerrilla units of Chiapas were seen today, given the rebels have established a camp with radio communications equipment near the community of Jesus de Caranza in Chiapas.

The rebels have cut down telephone lines and have demolished a sewage system in that area of Tabasco. The arrival of PGR [Attorney General's Office] agents was not known until this afternoon. Fear prevails among the

residents of the area, because they know about the rounds being made by the State Judicial Police, which come "very close to" the rebel command post, reason for which they fear a clash will occur.

Local newspaper sources have reported various communities, located in the bounds of Tabasco State near the Chiapas town of Quintana Roo, sympathize with the rebel movement.

Zedillo: Government To Announce Programs on Situation

PA2412135594 Mexico City XEW Television Network
in Spanish 0430 GMT 24 Dec 94

[From the "24 Hours" newscast—passages within quotation marks are recorded]

[FBIS Translated Text] President Ernesto Zedillo today said the government will announce programs in coming days to face the current situation and thus give the economy a new course.

In three meetings with legislators at the official residence of Los Pinos, President Zedillo commented on the situation Mexico is experiencing. To the commission of deputies, which advised him of the closure of the first regular session of the 56th legislature, he said:

[Zedillo] "The country is experiencing particularly difficult times. We should not (forget) that current circumstances are critical and that tackling them will require clear, specific, intelligent, and long-term decisions."

He said we cannot allow the dilution of Mexico's enormous potential by not practicing a policy of tackling problems with determination:

[Zedillo] "The federal executive will announce programs in coming days to face the situation about which you are aware. We start by recognizing the seriousness of the situation, by recognizing it will require decisive measures, measures which will not elude the graveness of problems, measures which will give Mexicans a clear path and which will also explain to the people of Mexico the efforts, the sacrifices we must all make to successfully solve this problem in order to guide our economy to a different course very soon."

He said the situation is complex and difficult, but Mexico's strength is much greater:

[Zedillo] "To the extent we remain united, without diluting our plurality, which is solid and in pursuit of the best national causes, we will be able to forge ahead."

To the commission of senators that advised him of the closure of its first session, Zedillo said:

[Zedillo] "We will act with [word indistinct] clarity in view of the circumstances. We will tell the truth above all to Mexicans at all times. We will tell them we are facing a complex situation, a very serious situation."

He also commented on the situation in Chiapas:

[Zedillo] "There is no Mexican who really wants the violence or disunity that is now threatening us in the state of Chiapas. Violence cannot be the path to any kind of solution."

The only path should be negotiation and reconciliation, he said. I will not tire of saying, he added, that the government of Mexico will unilaterally avoid the use of violence and repression and that its patience will be inexhaustible. Zedillo said there will be no abuses, nor will they run the risk of endangering the fragile security conditions prevailing in Chiapas. He added that he will be attentive to other groups that have offered to mediate in the conflict and that he will ensure that no door is closed:

[Zedillo] "What is invalid on the part of the government and the discontented ones is [words indistinct]."

A group of legislators advised the president in another meeting of the installation of the standing commission of the Congress of the Union.

Public, Private Sectors Agree To Freeze Prices

PA2412041794 Mexico City UNOMASUNO
(ECONOMIA Supplement) in Spanish 22 Dec 94 p 3

[Agreement among the Mexican public and private sectors on efforts to ensure stability within the framework of the Pact for Well-Being, Stability, and Growth; issued in Mexico City on 21 December—passages within bold-face as published]

[FBIS Translated Text] The labor, peasant, and business sectors; the Federal Government; and the Bank of Mexico have evaluated the recent developments in the financial markets within the framework of the Pact for Well-Being, Stability, and Growth.

As a result of this analysis, the various sectors have concluded that the measure adopted on 20 December, which raises the upper limit of the exchange rate range, has not put an end to the speculation that has been unfettered in the financial markets.

Because of this, they understand the decision of the financial authorities to allow the law of supply and demand to freely determine the exchange rate until the currency market shows signs of stability.

Therefore, to prevent this from harming the stabilization process, the parties have agreed:

1. That within the next 60 days, there will be no change in the price of goods and public and private services. Therefore, the wage policy will adhere to what was established in the 24 September recommendations and what was approved by the National Minimum Wage Commission on 20 December 1994.

2. During this period, the various sectors will meet to analyze the market situation and to determine the necessary adjustments to the 24 September agreements aimed at strengthening stability and growth and improving the well-being of families.

Likewise, during this period we will foster measures that favor the growth of companies and bolster the programs and actions aimed at strengthening the social, labor, and peasant sectors.

The different sectors agree on the need for all of society to share in the necessary effort to ensure that stability will continue over the next 60 days. Today, the nation requires the unity, serenity, and the shared responsibility of everyone to overcome this crisis.

Signed in Mexico City on 21 December 1994

FOR THE FEDERAL GOVERNMENT: SANTIAGO ONATE LABORDE, secretary of labor and social welfare; FAUSTO ALZATI ARAIZA, secretary of public education; ARTURO WARMAN GRYJ, secretary of agriculture and hydraulic resources; HERMINIO BLANCO MENDOZA, secretary of commerce and industrial development; JAIME SERRA PUCHE, secretary of finance and public credit; CARLOS ROJAS GUTIERREZ, secretary of social development

FOR THE BANK OF MEXICO: MIGUEL MANCERA AGUAYO, governor

FOR THE LABOR SECTOR: FIDEL VELASQUEZ SANCHEZ, president of the Workers Congress and secretary general of the Confederation of Mexican Workers; ROBERTO CASTELLANOS TOVAR, secretary general of the Revolutionary Confederation of Workers and Peasants in the Federal District and metropolitan area; FRANCISCO HERNANDEZ SUAREZ, secretary general of the Mexican Trade Union of Telephone Operators; PROFESSOR ELBA ESTHER GORDILLO MORALES, secretary general of the National Coordinating Board of Education Workers; NAPOLEON GOMEZ SADA, secretary general of the National Trade Union of Miners, Metalworkers, and Related Work; CARLOS RIVAS RAMIREZ, secretary general of the General Confederation of Workers; ALFONSO REYES MEDRANO, deputy secretary of the Labor Union Investments Commission of the Confederation of Mexican Workers; HUMBERTO ELIZONDO KAUFFMAN, secretary general of the National Association of Actors; JESUS MORENO JIMENEZ, secretary general of the Confederation of Workers and Peasants of Mexico; BENITO BAENA LOME, secretary general of the Alliance of Streetcar Workers; JESUS ISIDRO MORENO MERCADO, organization secretary of the Mexican Confederation of Workers and Peasants; MIGUEL BELLO SERANO, assistant secretary general of the Revolutionary Labor Confederation; RAMIRO RUIZ MADERO, Chief Official of the Worker's Congress

FOR THE PEASANT SECTOR: JESUS GONZALEZ GORTAZAR, president of the National Confederation of Owners of Rural Properties; CESAR GONZALEZ QUIROGA, president of the National Cattlemen's Union; EDUARDO DOMINGUEZ RODRIGUEZ, coordinator of the National Council of Peasant Enterprises of the National Peasant Confederation; DANIEL BALANZARIO DIAZ, deputy secretary of Agricultural Action of the National Peasant Confederation; PROFESSOR CARLOS RUBEN CALDERON CECILIO, coordinator of the Production Reconversion Programs Commission of the National Peasant Confederation

FOR THE BUSINESS SECTOR: LUIS GERMAN CARCOBA GARCIA, president of the Business Coordinating Council; GERMAN ANTONIO GONZALEZ QUINTERO, president of the National Chambers of Commerce, Service, and Tourism; FERNANDO CORTINA LEGARRETA, president of the Confederation of National Chambers of Commerce of Mexico; ANTONIO SANCHEZ DIAZ DE RIVERA, president of the Mexican Employers Confederation; JOSE LUIS LLAMOSAS PORTILLA, president of the Mexican Association of Insurance Companies; MANUEL ROBLED A GONZALEZ DE CASTILLA, president of the Mexican Association of Mexican Stock Exchange Workers; JOSE MADARIAGA LOMELIN, president of the Mexican Association of Bankers; SALVADOR LOPEZ NEGRETE, president of the National Chamber of Commerce of Mexico City; VICTOR MANUEL TERRONES LOPEZ, president of the National Association of Manufacturers; LUIS SANTANA CASTILLO, executive president of the National Association of Self-Service and Department Stores

Secretariat Instructs Enterprises Not To Alter Prices

PA2312140494 Mexico City XEW Television Network in Spanish 0430 GMT 23 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] The Finance Secretariat has instructed public institutions and enterprises not to alter the prices and tariffs of goods and services.

PEMEX [Mexican Petroleum] will maintain fixed prices in pesos for all its products, including natural gas and fuel oil according to the Finance Secretariat's announcement.

Businesses Said Repricing Imported, Local Goods

PA2312181594 Paris AFP in Spanish 1554 GMT 23 Dec 94

[FBIS Translated Text] Mexico City, 23 Dec (AFP)—Many businesses have been repricing both their imported and local goods since 19 December. Some have even closed their doors to the public after the government announced the extension of the new peso's fluctuation ranges, which triggered an immediate 15-percent devaluation.

According to what AFP has been able to confirm, repricing also affected low income stores, despite the fact the federal prosecutor for the consumer [procuraduria federal del consumidor] had already implemented a special nationwide price control program.

Hikes range from 15 percent to as much as 30 percent and affect home appliances, electronics, clothing, home furniture, food, and the public markets.

Certain gold dealers have decided to hold back on their sales, given the expectation of an increase in the value of the U.S. dollar.

Repricing of items (mostly contraband) was almost immediate in the highly popular commercial area of Tepito, in the north of the city, which sees anywhere from between 25,000 and 100,000 buyers.

Toys, shoes, luxurious jewelry, Nintendo games, television sets, and even "bootleg" copies of pornographic movies went up 30 percent in an effort to make some easy income.

Santiago Levy, an official at the Finance and Public Credit Secretariat, has told reporters "it will be extremely difficult to keep prices at their current levels" should the exchange rate go permanently too high, adding the political situation in Chiapas (where an armed conflict broke out in January) was "just the last straw."

The current crisis has structural problems that should have been dealt with in 1994, the last year of Carlos Salinas' administration according to Levy. He has mentioned the payment balance in particular, which is where "the basic problem lies."

Members of Chiapas Dialogue Commission Announced

PA2312151794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 23 Dec 94

[Report by Francisco Trejo from the "Early Morning" newscast; passages within quotation marks are recorded]

[FBIS Translated Text] The list of senators who will form the Commission for Dialogue and Mediation of Peace in Chiapas was released on 22 December at the Higher Chamber. The commission members have been selected even though the fact the decision by the PRD [Party of the Democratic Revolution] to participate in the legislative commission caused delays. The list has been completed in the end.

Representing the Institutional Revolutionary Party [PRI] at the commission will be Senators Pablo Salazar and Oscar Lopez; representing the National Action Party [PAN] are Luis H. Alvarez and Luis Felipe Bravo Mena, and the most awaited representatives of the PRD are Heberto Castillo and Guillermo Del Rio.

Work must be done quickly so as to make up for the lost time according to former PAN leader Luis H. Alvarez. He said work should begin immediately to develop a bridge of understanding between the parties:

[Alvarez] "I hope all players and participants in this problem will modify their behavior and conduct so as to open new channels of communication."

And the rejection by the man with the pipe of the communiques and bulletins must be reconsidered according to the members of this legislative commission:

[PRI Senator Oscar Lopez] "Nobody should dismiss any peace effort, and I believe Congress is responding in its responsibility to help find a just, definitive, and dignified solution to the Chiapas problem."

This commission will be empowered to promote and suggest formulas for a truce, to resume the dialogue, and to attain peace. This is easier said than done, and in case you are wondering whether an additional budget allotment will be earmarked for the functioning of this commission on this occasion, as on many others, allow us to explain to you the very Chamber of Deputies and Senators will defray the expenses. This point does not mean the commission representatives will travel immediately to the conflict-ridden area; instead, they will not do so until they have specific evidence to restore bridges of understanding between the parties.

PRD Deputy Juan Guerra and other members of the legislative commission have made statements on the creation of the commission:

[Guerra] "Marcos has rejected a mediation commission consisting of deputies appointed by the executive. I want to make it clear this commission is not the one we have created. This statement must be said clearly: This proposal is not the one by the president."

We should wait and see now how Subcommander Marcos and the EZLN [Zapatist National Liberation Army] receive this new peace initiative.

Conai Representatives Sent to Mexico City for Talks

PA2412022394 Mexico City Radio ACIR Network in Spanish 0000 GMT 24 Dec 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] The National Mediation Commission [Conai] has decided to send Gonzalo Ituarte, Juan Banuelos, and Oscar Oliva to Mexico City. In fact, they are already here. The three traveled from San Cristobal de las Casas, Chiapas, to Mexico City to consult with Government Secretariat Esteban Moctezuma Barragan. As we noted a few moments ago, Esteban Moctezuma was appointed by the president to represent the executive branch in overseeing the reestablishment of a dialogue between the warring sides in Chiapas.

The Conai representatives decided to travel to the Government Secretariat for consultations after President Ernesto Zedillo Ponce de Leon instructed the Government Secretariat, specifically Esteban Moctezuma, to represent the executive branch in government efforts to reestablish this urgent and unpostponable dialogue with the EZLN [Zapatist National Liberation Army].

David Moreno, Conai's spokesman in San Cristobal de las Casas, explained that the remaining Conai members—Bishop Samuel Ruiz Garcia, Concepcion Caldillo de Navaz, Juana de Garcia Robles, and Raymundo Sanchez Barraza—are in a permanent session awaiting the return of the delegation to San Cristobal de las Casas.

It has been learned that at any moment, at around 1900, Bishop Samuel Ruiz could issue a message in connection with the attempt to get Conai directly involved in this urgent dialogue that is seeking ways to bring peace to Chiapas.

Conai Awaiting EZLN Reply on Mediation

PA2612135194 Mexico City NOTIMEX in Spanish 1129 GMT 26 Dec 94

[FBIS Translated Excerpt] San Cristobal de las Casas, 26 Dec (NOTIMEX)—Samuel Ruiz, chairman of the National Mediation Commission (Conai), has announced that he sent the armed group in Chiapas a copy of the Federal Government's official recognition of his organization as mediator in the conflict in Chiapas.

Ruiz, who is bishop of San Cristobal de las Casas, Chiapas, a state located southeast of Mexico City, said he is awaiting the Zapatist National Liberation Army's (EZLN) reply to the documents sent over the weekend. In his role as Conai chairman, Ruiz will notify the Federal Government of the EZLN's answer and take the necessary steps to restore the dialogue.

At a news conference held in this city, Ruiz said he might end his hunger strike, which started on 19 December, within three days if conditions are met to achieve a reliable cease-fire between the EZLN and the Mexican Army.

According to medical reports, Ruiz Garcia's health, seven days after he began his hunger strike, remains good. [passage omitted]

Meanwhile, the Caravan of Support to the People of Chiapas for Peace With Dignity left Mexico City on Sunday evening with 50 tons of food, medicine, and clothing. Rosa Maria Gonzalez, the caravan's organizer, said medicine, food, toys, and shoes are being sent to the state for the second time.

The Mexican people's solidarity has been "fantastic," Gonzalez said, noting that every effort will be made to ensure that this aid reaches the Chiapas Indian communities facing the greatest problems. She said the convoy includes a large amount of medicine to fight cholera and tuberculosis, because some cases have been reported in

Chiapas. Aid sent from the United States by the "Assembly for Democracy"—20 tons of food, clothing, and medicine—also will be transported to Chiapas by the caravan.

Gonzalez said the aid organized by the National Democratic Convention (CND) will reach Tuxtla Gutierrez, the state capital, on Tuesday. From there, it will be sent to San Cristobal de las Casas.

Agreement Expected on Resuming Talks

PA2612150094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 26 Dec 94

[From the "Early Morning" newscast]

[FBIS Translated Excerpt] In the state of Chiapas, specifically in San Cristobal de las Casas, there is complete confidence that an agreement will be reached within a few hours to open the next stage of peace talks between the Federal Government and the EZLN [Zapatist National Liberation Army]. This is inferred from the fact that the government has officially recognized Conai [National Mediation Commission]. The EZLN's reply is now being awaited to allow the next stage of the dialogue to begin, which could result in a lasting cease-fire, according to Archdiocese Chancellor Monsignor David Mendez. [passage omitted]

Deputy Government Secretary Beatriz Paredes de Rangel, during a meeting with Conai in San Cristobal de las Casas, where she handed over the documents officially recognizing Conai's mediation efforts in the Chiapas peace process, said Conai's role as mediator was discussed at length during the sessions.

[Begin Paredes recording] We believe it is essential to reaffirm President Ernesto Zedillo's determination to find ways to guarantee stable and lasting peace with justice and dignity. We believe this is an ongoing process and that timetables will gradually be set in accordance with the region's reality and the willingness of the two sides. Conai is completely willing to conduct its mediation role effectively. President Zedillo is maintaining flexible position. We trust that all of the peace efforts that civilian society, legislators, the political parties, and the media are making will work as a catalyst to resume the dialogue as soon as possible. [end recording]

Six days of fasting have not weakened San Cristobal de las Casas Bishop Samuel Ruiz, who celebrated a Christmas mass and immediately reacted to Conai's official recognition.

[Begin Ruiz recording] We have received official word from the federal executive branch via the Government Secretariat announcing Conai's recognition, which we regard as an encouraging sign that the requisite contacts between the two sides will be reopened. With the recognition of the two sides, Conai can begin its work immediately. [end recording]

While the key pieces for peace in Chiapas gradually fall onto place, PRD [Party of the Democratic Revolution] governor Amado Avendano again said it is necessary to go to Altos de Chiapas to seek out Subcommander Marcos, the key figure in this conflict, and have him comment on the state's general demand for peace.

[Begin Avendano recording] Yesterday, it was agreed to seek him out to see what he thinks, as well as to determine what will be done. In turn, we will act accordingly. [end recording]

There also are questions concerning how the legislative commission will conduct its work. It has been said that, although it is one of the primary instruments of achieving peace in the region, it has lagged behind in this task.

Secretariat To Contact Mediation Commission on Chiapas

PA2312204394 Mexico City Radio ACIR Network in Spanish 1940 GMT 23 Dec 94

[Report by Juan Carlos Escobedo]

[FBIS Translated Text] The Government Secretariat has issued a two-paragraph communique. The document states: In carrying out a presidential order issued yesterday, the Government Secretariat will immediately contact the National Mediation Commission [Conai] to learn of and agree on its terms for mediating with the Zapatist National Liberation Army [EZLN] and to find long-lasting peace with dignity in Chiapas.

The Government Secretariat recognizes Conai's efforts in the search for peace and calls for immediate and effective talks to begin working toward installing "a process of negotiations capable of bringing peace and attention to Chiapas' social backwardness. Such negotiations should progress within an atmosphere of justice, legality, and dignity and should be capable of becoming a balanced and just sustainable development for Chiapas state, particularly for the Indian population.

Secretariat Recognizes Commission

PA2412151994 Mexico City XEW Television Network in Spanish 0430 GMT 24 Dec 94

[Report by anchorman Jacobo Zabłudovsky from the "24 Hours" newscast]

[FBIS Translated Text] A little over 30 minutes ago, at 2215, the Government Secretariat issued a news bulletin stating:

After several contacts and important meetings with representatives of the National Mediation Commission [Conai], the Government Secretariat reports the following: The Government Secretariat, representing the head of the executive branch, values Conai's contributions and extends to it its recognition as a body accepted by both parties to undertake the mediation to reestablish

dialogue and to advance in the achievement of peace. This recognition is further evidence of the interest in finding paths to peacefully resolve the conflict in Chiapas.

This is the Government Secretariat bulletin. I ask myself after reading it—because it is not explained here—what will be the functions of the commission formed by seven legislators from four political parties yesterday? Does this mean Conai will mediate between the EZLN [Zapatist National Liberation Army] and the commission of legislators? The bulletin does not say the commission of legislators will join Conai; instead, it states Conai is the body accepted by both parties to undertake the mediation. The function of the seven legislators still needs to be clarified.

Spokesman on Commission's Role

PA2412152194 Mexico City XEW Television Network in Spanish 0430 GMT 24 Dec 94

[Statements via telephone by Government Secretariat Spokesman Alfonso Durazo on the commission of legislators to arbitrate in the Chiapas conflict; place not given; from the "24 Hours" newscast—live]

[FBIS Translated Text] Don Jacobo, I am bothering you simply to answer the question you had on the role of the commission consisting of seven legislators from four political parties, a commission which Congress created on 23 December.

First, I want to tell you the dialogue and conciliation commission has a special role and is a temporary commission. Its objective is to gather information and to be an arbitrator, as Congress stated, in the search for a peaceful resolution to the conflict taking place in Chiapas State; in other words, the role Congress itself conferred to this commission is to gather all necessary information, to propose and promote useful formulas and initiatives to keep the truce, to resume talks, and to reach peace.

It is then understood the congressional commission will deal with the search for solutions and will help Conai [National Mediation Commission], because this commission was recognized as such by the Zapatist army and now by the Government Secretariat. This reason is why the congressional commission will support the search for solutions from the legislative standpoint by supporting the national political forces represented by the political parties.

Bishop Ruiz Cited on Mediation Commission, Meeting

PA2412152394 Mexico City XEW Television Network in Spanish 0430 GMT 24 Dec 94

[From the "24 Hours" newscast]

[FBIS Translated Text] Bishop Samuel Ruiz Garcia said the National Mediation Commission [Conai] could reestablish contact with the parties involved in the conflict as soon as Conai's role in the search for solutions to that conflict in the Chiapas highlands is defined. He made this statement during a news conference the evening of 23 December at the cathedral in San Cristobal de las Casas.

Bishop Ruiz Garcia added: We presume we will be able to reestablish contact with the two parties as soon as an agreement is reached with the Government Secretariat. He said the next step would be to discuss conditions for the establishment of a cease-fire.

The bishop said he would end his fast as soon as both parties in the conflict reach a truce. He added the establishment of conditions for a resumption of dialogue between the government and the EZLN [Zapatist National Liberation Army] and its agenda, which President Zedillo has left wide open, would follow.

The San Cristobal bishop confirmed a representative of his, Priest (Gonzalo Ituarte), and three Conai members, (Alberto Sequer), Oscar Oliva, and Juan Banuelos, met with members of the Government Secretariat in Mexico City on 23 December. He added the agreements of that meeting could be revealed the evening of 23 December in the capital of the republic.

Bishop's Commission Accepts Mediation Role

PA2412233494 Mexico City NOTIMEX in Spanish 2252 GMT 24 Dec 94

[FBIS Translated Text] San Cristobal de las Casas, 24 Dec (NOTIMEX)—The commission headed by Bishop Samuel Ruiz today agreed to mediate between the government and the armed group operating in Chiapas in an effort to secure the possible resumption of peace talks. Government Under Secretary Beatriz Paredes announced that the National Mediation Commission's decision was conveyed to the government by Ruiz, who serves as bishop of San Cristobal de las Casas, Chiapas.

Bishop Ruiz Sees 'Encouraging Signs'

PA2512233594 Madrid EFE in Spanish 2137 GMT 25 Dec 94

[FBIS Translated Excerpt] Mexico City, 25 Dec (EFE)—Samuel Ruiz, bishop of San Cristobal de Las Casas, has said there are encouraging signs for peace in Chiapas, a state in southeastern Mexico adversely affected by a Zapatist guerrilla uprising.

Reports that the government had recognized the National Mediation Commission (Conai) headed by the religious leader "give us hope for peace in Chiapas," he said.

He said that amid difficulties and obstacles, Chiapas is today headed down new paths because of the dialogue he

hopes will soon resume with the Zapatist Army of National Liberation (EZLN).

The next step in this process is the determination of how military demobilization and distance between the EZLN and the Mexican Army are going to be established.

Ruiz, a well-known protector of the Indians and Guatemalan refugees in Chiapas, has been on a hunger strike since last Monday to demand the preservation of the cease-fire, agreed to last 12 January.

Meanwhile, Chiapas Governor Eduardo Robledo said he will work for peace in the region and said he hopes the roads toward reconciliation will be found.

He said his government will increase from 3 to 40 percent the resources for the productive sector and will make an effort to create jobs to fight social backwardness, especially in rural areas.

Meanwhile, former gubernatorial candidate Amado Avendano also described as positive the first meetings held between the Conai and government representatives, who seek to resume the dialogue with the rebels. [passage omitted]

Zedillo Receives Legislators of Chiapas Dialogue Commission

PA2312152294 Mexico City XEW Television Network in Spanish 0430 GMT 23 Dec 94

[News bulletin issued by the Mexican Presidency in Mexico City on 22 December; read by anchorman Jacobo Zabiudovsky; from the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo today received the commission of legislators for dialogue and reconciliation in Chiapas.

The senators and deputies, all of whom are members of the PAN [National Action Party], the PRD [Party of the Democratic Revolution], the PRI [Institutional Revolutionary Party], and the PT [Labor Party], expressed their concerns over the incidents that have occurred in Chiapas and their decision to cooperate in attaining peace in that southeastern Mexico state.

President Zedillo reiterated the government's commitment to find proper solutions to reestablish communication between the parties in conflict and to carry out the necessary actions that can contribute to a worthy peace and a future of development and justice for the people of Chiapas.

President Zedillo told the legislators he respects the sovereignty of the legislative branch and expressed his recognition for the decision made by both chambers to create a joint commission that can join in the search for peace. He also informed them he has asked the Government Secretariat to specifically work on behalf of the executive branch toward the restoration of the dialogue

between the parties in conflict and to take in the opinions of all those interested in promoting a peaceful agreement in Chiapas.

As for the duties of the National Mediation Commission [Conai], he said the contributions of the civilian society is undoubtedly fundamental in finding solutions to this problem. He said he has instructed the Government Secretariat to immediately come in contact with Conai and to discuss the conditions under which a mediation can take place.

The Chamber of Deputies and the Senate, by agreement of their respective full sessions, created a joint commission of seven representatives of the people with their respective alternates: Deputies Juan Guerra, the PRD; Marcos Cruz, the PT; Rodolfo Elizondo, PAN; and Jaime Martinez Veloz, the PRI; and Senators Pablo Salazar, the PRI; Luis H. Alvarez, PAN; and Eberto Castilio, the PRD.

PRI Leadership Backs Zedillo Stand on Chiapas

PA2412013894 Mexico City UNOMASUNO in Spanish 22 Dec 94 p 13

[Communique issued by the PRI National Executive Committee in Mexico City; date not given]

[FBIS Translated Text] President Ernesto Zedillo has reaffirmed that dialogue is the only path for achieving a just, dignified, and lasting peace. He also has reaffirmed the fact that all Mexicans want to live in a state of law, because violence only breeds anguish among Mexicans, inhibits the dynamics of economic recovery, and hampers development opportunities in the country.

President Zedillo also said the Mexican Army will unilaterally maintain the cease-fire and that the government of the republic will meet intolerance with patience to ensure that the paths of dialogue and negotiation are the only means used to resolve the conflict in Chiapas.

The CEN [National Executive Committee] of the PRI [Institutional Revolutionary Party] today reaffirms its unbreakable commitment to peace with dignity and justice, and it is voicing its support for the federal executive branch's call on all political forces within the country to assume without reservation their duties in achieving peace in Chiapas and in Mexico.

The CEN of the PRI agrees with the government position of maintaining a willingness to negotiate, within the framework of the law, on any issue that might lead to peace, because only social harmony and justice will unite all Mexicans.

"Democracy and Social Justice."

[Signed] Senator Maria de los Angeles Moreno Uriega, president of the CEN of the PRI
Secretary General Pedro Joaquin Coldwell
Organization Secretary Jorge G. Lopez Tijerino
Social Secretary Senator Guadalupe Gomez Maganda

Regional Coordination Secretary Arnoldo Ochoa Gonzalez
 Information and Propoganda Secretary Deputy Heriberto Galindo Quinones
 Finance Secretary Andres Viesca Marin
 Deputy Secretary General Deputy Hector Hugo Olivares Ventura
 Electoral Action Secretary Tristan Canales Najjar
 International Affairs Secretary Dr. Alejandro Carrillo Castro

PRD Agrees With Dialogue, Conciliation Commission

PA2312233794 Mexico City LA JORNADA in Spanish
 22 Dec 94 p 21

[Communique issued by the Party of the Democratic Revolution Chamber of Deputies faction, published as a paid advertisement: "The Congress Commission Is Not Ernesto Zedillo's Proposal"; passages within boldface as published]

[FBIS Translated Text] **TO THE NATION:** The Chamber of Deputies has decided to create a **Dialogue and Conciliation Commission**, both to help several sectors of society contribute to the peace efforts in Chiapas and to turn into legislative reforms the necessary economic, political, and social changes that the state of Chiapas urgently demands. The nature and scope of this congressional commission is substantially different from the proposal presented by the executive branch last week. This is why we have decided to participate in it.

1. Ernesto Zedillo proposed creating a commission of political parties made up of deputies. For this reason, in the session where the proposal was discussed for the first time, the PRI [Institutional Revolutionary Party] [as published] refused to participate in the legislative commission, arguing that the president's proposal was aimed at the various political organizations. Conversely, the Dialogue and Conciliation Commission, whose creation was approved by the congress on 20 December, is fully authorized to prepare proposals and peace initiatives and contacts with all political players involved in the conflict.

2. Zedillo proposed that the commission of parties be the only channel for mediation. Unlike this proposal, the congress' commission under no circumstances will cancel the mediation efforts of CONAI [National Mediation Commission] and, particularly, of Samuel Ruiz, whose work for peace is invaluable. The congress' commission will cooperate in the search for agreements and

consensus for a respectable and just peace. Even more importantly, the commission will be able to translate such agreements into legislative proposals for definitively looking into and correcting the state's appalling social and political backwardness.

3. The congress' commission does not represent Zedillo. It is completely independent from the executive branch, which will have to appoint its delegate directly to initiate the dialogue and negotiation in Chiapas as soon as possible.

For all of these reasons, we have decided to participate in the **Dialogue and Conciliation Commission**, approved by the Chamber of Deputies. Our presence in this commission represents a commitment to the Chiapas Indians' social and political demands, their demands for self-rule, land, and democracy, and their desire for a free and egalitarian homeland for all. We have made a commitment for a just and respectable solution for the Chiapas conflict. This is the only possible guarantee for peace.

PRD Chamber of Deputies faction.

U.S. 'Abuses' Against Mexicans at Border Said To Increase

PA2412195594 Mexico City NOTIMEX in Spanish
 1857 GMT 23 Dec 94

[FBIS Translated Text] Tijuana, 23 Dec (NOTIMEX)—Attacks and abuses by U.S. authorities against Mexicans who have tried to cross over into that country legally or illegally doubled this year, the Foreign Relations Secretariat has confirmed.

Jose Luis Noriega Balcarcel, delegate of that secretariat in this state, has said there were 11 complaints in 1993 filed by Mexicans claiming to have been victims of attacks by U.S. authorities compared to 22 cases this year.

He has said half of the complaints were filed against agents of the border patrol and the other half against officials of the Immigration and Naturalization Service (SIN) for reasons ranging from physical and verbal attacks to sexual abuse.

Noriega has said complaints have increased since Operation Guardian started on 1 October. Seven of them have been filed, and "the best known one is that of Marco Antonio Gonzalez, who was trampled by border patrol agents on horseback."

He added the complaints were turned over to the Mexican Consulate General in San Diego, which will file the corresponding protest before U.S. authorities.

El Salvador

President Views Reorganization, Peace Accords

PA2512165994 San Salvador EL DIARIO DE HOY in Spanish 23 Dec 94 p 4

[FBIS Translated Text] President Armando Calderon Sol has said that he will make "a bigger reorganization" in his government but that there will be no changes in his cabinet for the time being.

The president has said during a news conference "it has clearly been said during the current government it is not necessary to wait until the end of the year to make cabinet changes" although it has been the practice of ministers to put their posts at the president's disposal at the end of the year. "I can say in this regard we are planning to make a bigger government reorganization and modernize the state thoroughly for the country's good. We do not want to remove a minister just for the sake of it," he has said.

He has said in January he will fill the vacant positions left by his former agriculture and finance ministers who have resigned to respond to charges of influence peddling. Calderon Sol has said this time is the first during his government reports about influence peddling are being investigated. Nevertheless, he has expressed appreciation for the fact the two ministers have resigned to be investigated by the administration of justice, stripped of their political privileges.

One of the government's achievements has been to cope with the problem of corruption in plain view of the people, so to speak. "Anyone can say anything in our country. Criticism is part of the system," he has said. He also has said the judiciary, the courts, and the Attorney General's Office are looking into reports of government corruption. The fact the administration of justice is working to eradicate corruption "speaks highly of the president's political will and commitment with the Salvadoran people to investigate such reports to the ultimate consequences no matter who is involved. Certain officials of my own party have been and are being prosecuted," he has said.

The president has said no past party, government, or politician can accurately assess what he, as a president, is doing for El Salvador. "I am a democratic president, not one of the past. My government is not absolutist. The institutions enjoy independence," he added.

Peace Agreements

The 1994 change of cabinet gave full impetus to the fulfillment of the peace agreements, a point for which the people should give the government full credit according to Calderon Sol. "We can say the new government quite responsibly disbanded the National Police and created and supported the Civilian National Police," he has said.

The public security budget for 1995 will be 1 billion colones, because it is necessary to increase the number of policemen to protect the people from common criminals who attack the Salvadoran people daily.

The land distribution program had fallen behind schedule, but the government has updated it. "Even the FMLN [Farabundo Marti National Liberation Front] has honestly recognized the new government's effort to distribute land, to face the problem, and to find a solution for it," he also has said.

In accordance with the president, one of the points pending fulfillment in the agreements is attaining social peace, which he has described as a challenge to establish the state of law and to cope with poverty, health, housing, and education problems. "We expect 30 April to be a date when the Salvadoran Government and people can celebrate with the United Nations the total fulfillment of the peace agreements." He added a joint government-FMLN commission is being formed to visit UN Secretary General Butrus-Ghali and request financial assistance in the fulfillment of the agreements.

Illegals in the United States

On the Salvadoran illegals' temporary stay in the United States, Calderon Sol has said that the extension granted by the U.S. Government is automatic and that no paperwork is necessary, because the extension is for obtaining permits only. The Salvadoran consulates, Foreign Ministry, and ambassador to Washington are working coordinately. "We have devised a true strategy and action plan so the consuls can best serve their fellow countrymen," he has said.

The idea is to assist illegal Salvadorans to avail themselves of other immigrant statuses provided for by U.S. law. Sometimes, out of ignorance or for lack of technical and legal advice, these illegals do not take advantage of other immigration mechanisms, which they can request by coming to the embassies and availing themselves of the services to be provided at all U.S. consulates as of 1 January next year. "We will be able to assist in this way thousands of Salvadorans in securing a U.S. resident status," he concluded.

Report Outlines Changes Within FMLN

PA2212123894 San Salvador EL DIARIO DE HOY in Spanish 19 Dec 94 pp 12, 13

[Report by Claudia Duarte and Martha Elena Ibarra]

[FBIS Translated Text] In light of what could be its last opportunity, the leftist Farabundo Marti National Liberation Front (FMLN) has tried to make a turn on its path toward dismemberment by promoting the unification of the factions that remain, the more radical factions, while also promoting the disappearance of these as such. The FMLN also appointed Salvador Sanchez Ceren, leader of the People's Liberation Forces (FPL), as its new coordinator. The FPL is perhaps the most radical

faction, which is practically predominating over the former guerrilla organization.

The National Council elected Sanchez, who is a former FPL "commander," also known by his nom-de-guerre "Leonel Gonzalez," as the FMLN coordinator general, thus replacing Shafick Hassan, Salvadoran Communist Party (PCES) secretary general, who turned down reelection.

Gonzalez pointed out that they are trying to make "the FMLN a unified and coherent party, which will represent a democratic opposition."

The Statutes Are Reformed

The FMLN did not only elect its new authorities but also reformed its statutes to allow the disappearance of the five organization that encompassed it. "The tendency is to make the structures and the quotas vanish; that is, the tendency is to democratize the FMLN," Deputy Eduardo Linares stated.

The fact that the coordinator general, the deputy coordinator, the assistant coordinator, the members of the political commission, and the departmental coordinators will be part of the FMLN and will be disassociated from the respective organizations constitutes the first step toward the unification of the party.

Eugenio Chicas, who is also a Legislative Assembly deputy, maintained that "the decision is to leave the FMLN as a goal-oriented party, which is advancing toward unification."

Meanwhile, Norma Guevara, who also belongs to the parliament, explained that the FMLN from now on will only be two tendencies, groups of ideas, or currents that "will give more intensity to the party."

In the opinion of FPL leader Facundo Guardado, if each of the factions clings to the idea of remaining as such, "this position will harm the FMLN and its democratizing process... Most people have the resolve to change, but there always are people afraid of changes."

The FMLN Searching for an Identity

1 May: During the first plenary session of the Legislative Assembly, there emerged a division among the FMLN deputies: those who voted for Gloria Salguero Cross as Assembly president—namely, deputies from the ERP [People's Revitalizing Expression] and the RN [National Resistance]—and those who abstained from voting—namely, deputies from the FPL, PRTC [Revolutionary Party of Central American Workers], and the PCES.

3 May: The FMLN announced that deputies Ana Guadalupe Martinez and Eduardo Sancho, who were elected vice president and secretary, respectively, did not represent the FMLN at the Legislative Assembly directorate.

9 May: Former ERP leaders who had been expelled from their group in November 1993, create a new faction within the FMLN—a faction with a "democratic tendency."

10 May: Following a meeting attended by the FPL, PCES, and the PRTC, the FMLN National Council agrees to dismiss seven RN and ERP deputies and Joaquin Villalobos, who is an ERP leader. These deputies do not accept the decision made by the National Council, because it was made by only three of the three [as published] organizations that make up the FMLN.

25 May: As a result of the last elections, the RN proposes a new political pact to the FMLN.

28 August: The FMLN leadership meets with its rank and file to discuss the unification of the party, thus finding points of consensus and creating a goal-oriented party in view of the internal crisis.

9 September: The FPL proposes the creation of a new party, for which it is necessary to do away with the five groups that encompass the FMLN, thereby opening to other Salvadoran leftist groups.

5 October: The ERP requests the dissolution of the FMLN so that each of the five factions will be able to identify itself ideologically.

9 October: The ERP begins breaking away from the FMLN as the former authorizes its National Directorate to draft the dissolution pact.

10 October: The FMLN announces it will not dissolve itself and will continue without the ERP.

11 October: The RN announces it will not follow the ERP as it breaks away from the FMLN, because it will attempt to create a goal-oriented party.

6 December: The ERP officially announces its withdrawal from the FMLN and the dissolution of the party.

11 December: The RN Political Commission withdraws from the FMLN.

18 December: The FMLN holds its national convention, where the party's new authorities are elected.

A Brief History of the FPL

The line favoring the political participation that the Communist Party had taken led to the withdrawal of the most radical leaders, led by bakers union member Salvador Cayetano Carpio, in 1970. The dissidents then decided to found a pro-Vietnam urban guerrilla group, which they called the "Farabundo Marti" People's Liberation Forces, in memory of the communist leader who was executed after he led the first Marxist uprising in El Salvador in 1932.

It is here that the FPL began a drive to recruit followers among union members and university students. Melida

Anaya Montes, leader of the National Association of Salvadoran Teachers (ANDES), later joined the FPL.

The organization took up arms and began attacking military posts. By the mid 1970's, the FPL was devoted to kidnapping businessmen to finance the purchase of weapons. It kidnapped Salvadoran Foreign Relations Minister Mauricio Borgonovo Pohl, whom it assassinated months later, in 1977. At the same time, however, the FPL had been able to infiltrate the main mass organizations such as ANDES, FECCAS-UTC, UR-19, FSR, MERS, UPT [expansions unknown], and others that founded the radical People's Revolutionary Bloc (BPR) in 1976. The BPR, FAPU [United Popular Action Front], LP-28, and the MLP [expansion unknown], which were the political arms of the RN; the ERP; and the PRTC; contended for the leadership.

On 10 January 1981, the FPL, RN, ERP, PRTC, the PCES, and their mass arms, all of which are Marxist-Leninist, joined and started the "final offensive" to overthrow the government. Cayetano Carpio won influence within the coalition. The organization then opened its clandestine "Farabundo Marti" radio station.

Following two years of war and faced by internal disputes, Carpio ordered the murder of Melida Anaya Montes and later committed suicide in Nicaragua. Leonel Gonzalez and others then took control of the FPL, which lost its starring role.

Who Is the New Coordinator General?

Name: Salvador Sanchez Ceren ("Leonel Gonzalez")

Age: 50

Marital Status: married, father of four

Profession: professor

Current Occupation: FPL secretary general, member of the FMLN commission in Copaz [National Commission for the Consolidation of Peace], and member of the FMLN Commission for the Follow-Up of the Peace Agreements.

History:

1963—Joined the ANDES in 21 June.

1974—Joined the FPL and went underground.

1980—As the FMLN was created, he became member of the FMLN directorate.

1983—Following the deaths of Cayetano and Anaya, FPL founders and maximum leaders, he is elected FPL secretary general.

1990—became part of the FMLN commission in charge of negotiating with the government of Alfredo Cristiani.

1993—elected member of the FMLN political commission.

1994—elected FMLN coordinator general.

Goals:

To make the FMLN an ideology-based and goal-oriented party.

To facilitate more direct communications with the rank and file.

Withdrawal of the ERP and the RN

Guardado explained that those groups that withdrew from the FMLN—namely, the ERP and the RN—were in favor of keeping a system of sharing the leadership and that "we the leaders do not agree with this system."

To the opinion of PRTC's Marta Valladares, the withdrawal of the ERP and the RN "is very healthy because we lacked an active role in meeting the needs of the population."

In the meantime, Handal, who is the outgoing FMLN coordinator, stated that the crisis prompted this position. "This is the reply because people refuse to accept an FMLN at the verge of division; they want to see a party that will become the instrument to advance in their struggle."

However, the disappearance of the factions will not happen immediately. The system of quotas was valid during the election of the National Council since the FPL had the right to appoint 21 members to the council, the PCES 11, the PRTC 8, the ERP 5, and the RN 5, totalling 50 members for the National Council.

Although the system of quotas was eliminated within the FMLN, the statutes established reforms for the participation of women and young people. Women will have a participation equally proportional to the number of women affiliated to the party, and those women elected for posts at the National Women's Coordinating Board will automatically join the political commission. A number of women will join the National Council as well.

As for the participation of youths, it was decided that the party organizations must have at least 20 percent of people between 18 and 30 "as a generational guarantee so that youths will be able to climb to the party's directorate," Eugenio Chicas explained. In addition, none of the leader could be elected for a second term.

The leaders said the removal of Handal as coordinator general is proof that "we are not clinging to our posts; it is a proof that we will open opportunities to the newer generations to renew the FMLN."

They Will Be Unable to Merge

Juan Ramon Medrano, who is a deputy and an ERP leader, believes that the election of Leonel Gonzalez as coordinator general "is logical," because his organization, the FPL, has the majority within the FMLN. "The FPL is insisting on a single party, but this implies a single line," Medrano pointed out.

The deputy underscored that the FPL in the future could impose its views and decisions within the FMLN, taking advantage of the disappearance of the other factions. He said: "I doubt the PCES and the FPL will disappear."

As for the FMLN political line, deputy Medrano stated that although both the FPL and the PCES have defined themselves as Marxist-Leninist, we need to reform the thought, because "the radical Left already has a defined market."

The disappearance of the organizations and the unification of the FMLN constitute a logical measure, he asserted, adding that "I am predicting they will have some differences because I doubt they could merge into a single party."

Guatemala

Foreign Minister Seeks Review of URNG Expulsion

PA2512133694 Guatemala City SIGLO VEINTIUNO in Spanish 23 Dec 94 p 3

[FBIS Translated Text] Foreign Minister Gladys Marithza Ruiz Sanchez de Vielman has said that the implications of the request to expel URNG [Guatemalan National Revolutionary Unity] commanders from Mexico should be evaluated by the Peace Commission, although the official government position on this matter will have to be decided by the president himself, given the fact that he is the person in charge of determining the country's foreign policy.

The Foreign Ministry is willing to play the role it has been assigned, she said, when explaining that the congressman's statements have no repercussions, because in a democracy they are important statements. [sentence as published]

Meanwhile, she pointed out that close contacts are continuing between Guatemalan and Mexican authorities concerning the situation in Chiapas. She also noted that Mexican support for Guatemala is strengthened by the fact that Mexico belongs to the Group of Friends of the Guatemalan Peace Process.

Army Denies Entering Mexican Territory

PA241222394 Guatemala City Televisiete Television in Spanish 1900 GMT 23 Dec 94

[From the "Channel Seven News" newscast]

[FBIS Translated Text] The Guatemalan Army has denied having entered Mexican territory in pursuit of Guatemalan guerrillas or to support the Mexican Army in its struggle against the Zapatist Army of National Liberation [EZLN].

In recent statements published by a Guatemalan newspaper, EZLN leader Subcommander Marcos denounced

the presence of elite Guatemalan Kaibilies [troops specializing in counterinsurgency actions] in the Mexican state of Chiapas. According to the guerrilla commander, Guatemalan troops entered Mexican territory in pursuit of Guatemalan National Revolutionary Unity [URNG] guerrillas, as well as to support the Mexican Army. However, the EZLN leader gave no date to substantiate the alleged incursion of this country's soldiers into Mexican territory.

Military sources described Marcos' claims as being misleading, not to mention slanderous, and they stressed that Guatemala continues to respect the sovereignty of other nations. Meanwhile, Guatemalan President Ramiro De Leon Carpio reported this week that military surveillance has been heightened along the 800 km border with Mexico to prevent arms smuggling.

Rebel Commander Reacts to Linking of URNG, Zapatists

PA2312193194 Guatemala City PRENSA LIBRE in Spanish 22 Dec 94 p 3

[FBIS Translated Text] Guerrilla Commander Gaspar Ilom has described as ridiculous and unfair the statements made against the URNG [Guatemalan National Revolutionary Unity] by Deputy Jose Fernando Garcia Bravatti, who has linked them to Chiapas' Zapatist movement.

The URNG is a serious and responsible guerrilla organization, and those in the Mexican Government know it very well, he added.

Mexicans, and their current president, know very well the origins of the Zapatist movement. That reason is why the deputy's worn out remarks do not scare us, he added.

Ilom stated that the URNG has been in Mexico for a long time, and the governments of that country have allowed us to remain in that beautiful country; therefore, the URNG could not care less about the expulsion request made by the deputy of the Guatemalan Republican Front.

Cited on Impasse at Peace Talks

PA2312021094 Mexico City NOTIMEX in Spanish 0319 GMT 22 Dec 94

[FBIS Translated Text] Mexico City, 21 Dec (NOTIMEX)—The Guatemalan National Revolutionary Unity [URNG] today said it will wait for a new round of talks with the governmental delegation to resolve issues related to the "identity and rights of Indian peoples."

At a news conference on Wednesday [21 December], guerrilla Commander Gaspar Ilom said proper conditions for agreements on this point, which the government of Ramiro De Leon Carpio regards as "finished," still do not exist.

In light of this, Ilom said the Guatemalan Government delegation is "intransigent and not very inclined to negotiating" and, in turn, the peace talks between the guerrillas and the government have been recessed for an undetermined period of time.

Ilom, however, reaffirmed the URNG's willingness to keep talking until agreements that satisfy both sides can be reached, adding that the organization will wait for the United Nations, which is mediating in the peace process, to schedule a new round of talks before returning to the bargaining table.

Meanwhile, Hector Rosada, head of the government's Peace Commission, said the Indian issue is considered finished business in the eyes of the De Leon Carpio administration, and he added that, for this reason, the only thing left to do is for the two sides to sign an agreement.

Sees Cease-Fire as 'Difficult'

PA2312202894 Guatemala City PRENSA LIBRE in Spanish 22 Dec 94 p 3

[Passages in italics as published]

[FBIS Translated Text] Guerrilla Commander Gaspar Ilom said yesterday it is difficult for the URNG [Guatemalan National Revolutionary Unity] to agree to sign a cease-fire with the government, because other substantial topics are still pending discussion with the government.

He said the cease-fire will have to go into effect when those at the bilateral negotiation table decide it in accordance to a previously drafted timetable.

The guerrilla leader described as outrageous President Ramiro De Leon Carpio's proposal to sign a peace agreement *by way of a referendum*, because it actually obstructs the peace negotiations instead of favoring them, he said.

On the Indian issue, Ilom said there are discrepancies in the draft document presented by the United Nations to the members of the negotiation table but said they can be overcome.

Ilom said the UN communique is quite accurate when it states conditions will not be present in the short term for the signing of an agreement on the issue, because, he added, there are deep-rooted differences over certain aspects of the document.

On the draft document, which the government's Peace Commission has allegedly already accepted, Ilom said *the document reflects the positions of both sides, but we cannot say an agreement has certainly been reached, because it contains points still under discussion.*

Ilom described the statements made by Hector Rosada Granados, chairman of the government's Peace Commission, as a wrong, inflexible, and weak position, a reflection of the little commitment to finish the discussion of the topic.

The rebel leader said there are two areas in which there are discrepancies: One is the necessary constitutional recognition of the existence and identity of the Mayan people, an element he deemed important and fundamental. The other are the political rights of the Mayan people and their participation at the various levels.

Regarding the government's threat to publish the document, the guerrilla commander said *let them do it; we also are going to do our thing and let the national and international public opinion judge who is right.*

Ilom said the Guatemalan peace process is going through a critical stage, because the most important topic of the most essential points are being discussed.

Meanwhile, the Mayan groups are following the debates on the Indian topic and have criticized the fact they are being kept secret.

Nicaragua

New Army Chief Explains Objectives for 1995

PA2512225894 Managua Radio Sandino in Spanish 1200 GMT 23 Dec 94

[From the "What's Happening" newscast]

[FBIS Translated Text] One of the army's objectives in 1995 will be consolidating peace in the country's north. Major General Joaquin Cuadra Lacayo, new chief of the Nicaraguan Armed Forces, speaking during a recent meeting with journalists, talked about some of the EPS [Sandinist People's Army] goals for next year.

The consolidation of peace in the country's north and the fight against the groups threatening that part of the country are an attempt to guarantee order for the 1996 elections. These are the EPS's specific goals, he said. Let us listen to what Maj. Gen. Cuadra Lacayo told the journalists.

[Begin recording] [Cuadra] [Words indistinct] this is an important point I would like to emphasize. We are not finished consolidating peace in the entire country. Peace is not consolidated in the country. There are huge areas in the national territory where true anarchy prevails, where there are groups of armed people who decide what should and should not be done. This peace process is going to be implemented next year. It will be our principal operational effort.

[Unidentified reporter] In what areas?

[Cuadra] In all parts of the country where criminals operate, like northern Chontales Department, Jinotega, Matagalpa, Rio Blanco, Waslala, and so on. I am talking about the places newspapers report the most as being areas adversely affected by kidnappings, thefts. It is not difficult to see that a lot of work remains to be done. The Army's presence is indispensable there. We are not talking about operations like the one at the Oriental

Market where the police are deployed to arrest pickpockets and shoplifters. We are talking about a peace process where a permanent military presence is required until peace is totally consolidated in our country. [Words indistinct] if we do not consolidate peace in our country, we are going to have problems in the 1996 elections.

Human Rights Center Releases Annual Report

PA2512225994 *Managua Sistema Nacional de Television Network in Spanish 0200 GMT 23 Dec 94*

[From the "National Newscast"]

[FBIS Translated Text] Matagalpa and Jinotega Departments continue to be the areas from which the most human rights violations are reported, the Nicaraguan Human Rights Center [Cenidh] said today in releasing its annual report.

Matagalpa and Jinotega lead in the number of violent deaths reported with a total of 224, the Cenidh reports.

[Begin Cenidh President Vilma Nunez de Escorcia recording] We have received reports of a total of 367 victims in all sectors. This number includes peasants and members of the EPS [Sandinist People's Army], police, recontras, recompas, FSLN [Sandinist National Liberation Front], and UNO [National Opposition Union]. [end recording]

The Cenidh reports that the largest number of human rights violations are perpetrated by the police. But the Cenidh has confirmed that lectures on human rights are being given at the National Police Academy.

The organization also reported a 48.7 percent increase in the overall number of reports received.

[Begin Escorcia recording] In 1994, 1,095 cases of abuse were handled, which included 501 human rights violations. [end recording]

She also called attention to political polarization in the country during 1994, a pre-election year.

Government Reportedly To Close at Least 10 Embassies

PA2512155394 *Managua EL NUEVO DIARIO in Spanish 24 Dec 94 p 2*

[Report by Edgard Barberena S.]

[FBIS Translated Excerpt] The government in 1995 will close at least 10 embassies in faraway countries, such as Libya, and some in Latin America and will also cut down personnel in other missions due to a lack of funds, high-ranking officials leaked to EL NUEVO DIARIO yesterday.

The Nicaraguan Foreign Ministry has been analyzing the closure of and personnel reduction at diplomatic missions, as well as the implementation of certain changes

(sending Foreign Ministry officials abroad) after the National Assembly cut \$2.6 million from its budget.

The government sources added the relations established by Nicaragua with those nations will be maintained through concurrent ambassadors after such closures are made.

It was unofficially reported the embassies of Ecuador, Libya, and the Dominican Republic are on a "black list" although the first country has heavy investments in Nicaragua.

The government closed 12 embassies in 1994, these sources stated.

It was also reported a team of Foreign Ministry officials has started drafting a bill to establish a diplomatic career in Nicaragua to guarantee stability for the diplomatic personnel from administration to administration.

It was reported Foreign Minister Ernesto Leal is the most interested in seeing this bill become a reality. The president of the Republic will send this bill to the National Assembly in the first months of 1995.

EL NUEVO DIARIO learned an ambassador to Latin America earns \$2,000 while ambassadors to European countries and other regions of the world earn \$4,000. We learned these salaries are based on a table of expenses prepared by the United Nations.

The Foreign Ministry was among the institutions whose budget was reduced by the National Assembly in favor of salary increases for teachers and health and education workers. This cut is reflected in the 1995 general budget of the Republic. [passage omitted]

Panama

Foreign Minister Notes Possible Nomination of U.S. Envoy

PA2612012794 *Panama City EL PANAMA AMERICA in Spanish 25 Dec 94 p 1*

[Report by Henry Raymond]

[FBIS Translated Text] Washington—President Bill Clinton's government is expected to name Jim Sasser, former Democratic senator, as U.S. ambassador to Panama within a matter of days.

Diplomatic sources informed EL PANAMA AMERICA that the White House is preparing to ask the Senate's Foreign Relations Committee to confirm Sasser's appointment. Despite the importance of relations between the two countries and the advent of a new government in Panama, the ambassador's post in Panama has been vacant for almost a year. The new government is presided over by Ernesto Perez Balladarez, who was elected in the calmest and cleanest elections in Panamanian history.

Sasser, who has represented the southern state of Tennessee for 18 years and is a close friend of Vice President Al Gore, was one of the victims of the Republican landslide in the 8 November legislative elections. He lost his bid for a fourth term in the Senate. The 57-year-old legislator, who chaired the Senate's Budget Committee until last month, is identified with the Democratic Party's centrists.

We contacted Panamanian Foreign Minister Gabriel Lewis Galindo on this issue. He told EL PANAMA AMERICA that the State Department had not requested an agreement since its nomination of Pastor. But the foreign minister said he had heard "the name of a southern senator who is a Gore friend" mentioned for the postion.

Ministry Outlines President's Foreign Policy Strategy

PA2112180694 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Dec 94 p B10

[FBIS Translated Text] In the interests of giving Panamanian reporters a view of the past and future mission of the Foreign Ministry under the Perez Balladares administration, Foreign Minister Gabriel Lewis Galindo called domestic reporters and various international correspondents to the so-called 19th Contadora Conference, which ended yesterday on that Pacific island.

In his keynote speech, Galindo emphasized that it is President Perez Balladares' intention for the Foreign Ministry to attract foreign investment to Panama and thus fight poverty and unemployment. Another government priority will be improving the country's tarnished international image. Faithfully honoring the Torrijos-Carter Treaties until noon on 31 December 1999 will also be a government concern.

To succeed in this endeavor Panamanians must have a clear vision of the future. We will not overcome underdevelopment by thinking small. Local problems, although important, should not divert us from our strategic objectives. Poverty and unemployment demand that all Panamanians devote our energies to challenging them.

Within this functional organization, the Foreign Ministry's tasks are:

A. Preparing a harmonious transition from a U.S. administration to a totally Panamanian administration of the Panama Canal.

B. Promoting foreign investment in Panama.

C. Working closely with Mexico, the United States, and Canada to achieve Panama's acceptance into NAFTA, following our acceptance in GATT.

D. Fostering and ensuring close relations with the United States in fulfilling the Torrijos-Carter treaties and in all areas of mutual interest (the fight against drug

trafficking, money laundering, and illegal immigration, and trade and cultural exchanges).

E. Achieve Panama's entry into APEC (Asia-Pacific Economic Cooperation)

Become integrated into the large regional Latin American and European markets. Special attention will be paid to the Andean Group and Mercosur [Common Market of the South].

Promote political relations in areas of mutual interest with Central America.

Strengthen the democratic process on the continent and fight for peace, cooperation, and preservation of the environment.

A basic strategy has been outlined to foster foreign investment in Panama based on the following realities:

The countries with the greatest prospects for investing in Panama in the short term are the so-called "Pacific Tigers" (Pacific Rim). These include Japan, South Korea, mainland China, Hong Kong, and Singapore.

Our acceptance in NAFTA could occur in three or four years.

Asian investors must be approached, informed, and motivated. They will not come to Panama by themselves. Many of these investors who were at one time interested in doing business with Panama still bear the scars of the kickback system for government employees. For this reason our nation's credibility will be put to the test time and time again.

There is a new generation of Asian executives willing to come to Panama.

No matter how much we promote foreign investments through high-level missions, and no matter how well they are received, unless we follow these up, at the same level, the initial result will be dissipated and results will be negative.

Asian businessmen are very sensitive to protocol. They like to deal with individuals in executive positions with power and authority. They are impatient, and if they do not see any prospects for achieving their goals within a reasonable period, they leave.

Investors see Panama as a regional operation. They are not interested in the local market per se. If Panama does not meet their requirements they will take their operations to other countries.

A successful program for promoting investment requires frequent, well-organized, personal contacts in Panama and with top executives from investing firms at their headquarters and with government authorities.

Proceeding from these realities, the Foreign Ministry will install a foreign trade commissioner in each strategic country in Asia, America, and Europe.

The Foreign Ministry will set up electronic mail for communications between our most important embassies and the headquarters in Panama.

The establishment of the City of Knowledge will be furthered. This will be a complex of universities, which as a group and with rational use of the reverted areas, will produce more income for the national economy than the military bases now produce. Panama will exchange military bases for university centers. This project will not compete with the University of Panama. The City of Knowledge will be an important part of our service economy.

The World Conference on the Panama Canal will be held in September 1997. France, the United States, and the United Nations will cosponsor this event. The idea will be to demonstrate to the world that Panama is prepared to administer the waterway.

In order to achieve an adequate transition of the Panama Canal's administration, a special team is being formed to handle that fundamental task for the consolidation of the Panamanian nation.

In February 1995 a meeting between the foreign ministers of the European Community and Central American countries and special guests will be held in Panama.

We will follow up on all agreements reached at the Summit of the Americas.

We will reintroduce Panama onto the world scene, and each Panamanian will be proud of his country.

Cuban Rafter on 'Intimidation' at Safe Haven Camps

PA2512015294 Mexico City NOTIMEX in Spanish 2154 GMT 24 Dec 94

[Report by correspondent Sandra Paez]

[FBIS Translated Excerpt] Panama, 24 Dec (NOTIMEX)—U.S. military authorities announced here today that more than 200 Cuban migrant families housed along the Panama Canal have been relocated to several shelters in the area.

Meanwhile, Cubans at Camp No. 1 who were transferred to two other shelters at U.S. military installations in the Canal area expressed apprehension over the relocation and charged that the measure took place within an atmosphere of intimidation.

First Lieutenant John Thomas, spokesman for Operation "Safe Haven," pointed out during a news conference that the relocation of the 250 families—approximately 700 people—was carried out to provide additional comfort for the migrants, as well as to help children continue their schooling. [passage omitted]

Some of the 318 Cubans who were relocated to Camp No. 4 complained they were removed from the shelters where they had been living until today "as if they were criminals."

One of the "rafters" explained, "some 1,500 soldiers arrived at Camp No. 1 in armored personnel carriers"; they entered each tent and ordered all of the families to step out because they were being relocated, leaving behind only single men in the tent.

The same Cubans noted that last week, when one of the Cubans beaten during the disturbances described the events to Panamanian television, "that same night (U.S. soldiers) came for him, and now he is in jail."

Lt. Thomas stated that 411 people are currently being detained at the Preventative Detention Center in the Canal area, 300 of whom took part in the disturbances that resulted in the deaths of two Cubans, injuries to 221 U.S. soldiers and 28 "rafters," and a large amount of property damage.

The migrants claimed the Cubans who have been detained have had their human rights violated ever since the disturbances took place. [passage omitted]

PTJ Gives Five-Year Drug Activities Report

PA2712045194 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Dec 94 p 1

[Report by Jacqueline Clarke]

[FBIS Translated Text] A Judicial Technical Police (PTJ) report has revealed that a total of 4,099 drug traffickers were arrested and approximately 33,238.7 kg of pure cocaine were seized by Panamanian authorities between 1990 and 1994.

The document reports that the PTJ confiscated 325 kg of marijuana and 130.63 kg of cocaine sulfate in the past five years and 11.55 kg of crack and 20.2 kg of pure heroine in the 1991-1994 period. The police seized 730 milligrams of hashish—an oriental drug—and approximately 2.6 kg of cocaine mixed with heroine in 1994.

The PTJ arrested a total of 101 foreign drug traffickers, out of which 49 are Colombians, 14 U.S. citizens, seven Dominican Republic citizens, five Haitians, four Spaniards, three Peruvians, three Jamaicans, and 3 Ecuadorians. They also arrested German, Chilean, Salvadoran, Nicaraguan, African, Swiss, Portuguese, Cuban, Venezuelan, Dutch, and Guatemalan drug traffickers.

The PTJ handled a total of 3,522 drug-related cases between 1990-1994: 623 cases in 1990, 752 in 1991, 548 in 1992, 757 in 1993, and 842 (up to November) in 1994. The report also indicates that the PTJ arrested 817 drug traffickers in 1990, 878 in 1991, 578 in 1992, 932 in 1993, and 894 (up to November) in 1994.

Argentina

Senate Approves Direct Presidential Election, Runoff

PY2612145794 Buenos Aires TELAM in Spanish 0445
GMT 23 Dec 94

[FBIS Translated Text] Buenos Aires, 23 Dec (TELAM)—In the early morning hours today the Senate approved and turned into law the bill amending the Electoral Code and establishing the direct election of the president and vice president. The new law also establishes the system of runoff elections.

After a brief discussion the Senate voted on the text of the bill, which had been sent up by the Chamber of Deputies after some formal changes were made to the wording of some articles on the election of national senators.

The mechanism for the election of a third senator, who will be elected in direct elections as of 2001 and will represent the strongest opposition party in each province, provoked a caustic debate in the Chamber of Deputies, and blocked the analysis of specific aspects, which started being discussed on the afternoon of 22 December.

The norm says that the system for the direct election of senators will be in effect in the Federal Capital as of 1995, and specifies the instruments that will be used to determine the winner of the presidential race in a runoff election.

The norm says that the candidate who obtains 45 percent of the votes, or 40 percent of the votes but separated from the second most popular ticket by at least 10 percentage points, will win the election.

The bill makes it clear that if no one obtains these percentages the two most popular candidates will have to compete in a runoff election—as was in effect in Argentina in 1972—within a maximum period of 30 days.

The bill also establishes the mechanism to be used in case one of the candidates resigns or dies.

Article 88 of the Constitution on the lack of a leader will be applied in the case of death or resignation of any of the candidates in a victorious ticket.

If the death or resignation of a candidate occurs after the first round of the elections, the alliance or party represented on such a ticket will be called upon to replace the resigning candidate before the runoff.

If both the candidates of a presidential ticket chosen for the runoffs resign before the runoff, the candidates of the other ticket competing in the runoff will be declared winners.

The law also determines that political parties will be empowered to supervise the elections, and will have

access to the software containing the centralized information on the vote counting. The National Electoral Board will have a copy of such information.

The final counting will be conducted by the National Electoral Board, which will have 10 calendar days to report on the results in the case of the election of the president and vice president.

The Electoral Board will also communicate the final counting result, in the case of the election of a president and vice president, to the Senate president, who will immediately convene a joint session of Congress.

This body will determine which tickets obtained the most votes and will make the call, if necessary, for a runoff election, which must be held within 30 days of the first round.

Congress Passes 1995 National Budget Law

PY2412015994 Buenos Aires TELAM in Spanish 0616
GMT 23 Dec 94

[FBIS Translated Text] Buenos Aires, 23 Dec (TELAM)—The national Congress passed the 1995 budget bill during the early morning hours today. The bill contemplates expenditures of nearly 43 billion pesos and economic growth of 6.5 percent.

The lower house approved the National Budget in a brief session during today's early morning hours, rejecting the amendments introduced by the national Senate to the text approved by deputies on 1 December.

Deputies approved, with the minimum legal number of deputies present, the 1995 public administration budget bill after waiting nearly four hours for the Senate to finish discussing it.

The government will thus have the budget approved in time for the fourth consecutive year, which is mandated by the Constitution, but which was not done for the past 40 years.

The budget was approved in time, but without any version of Article 14 granting the government special powers to implement the second phase of the state reform program.

However, the possibility of approving a bill sponsored by Senators Antonio Cafiero and Pedro Molina, which includes various items of Article 14, such as the mechanism for containing public spending and the power to organize voluntary retirement schemes, remains pending.

The Chamber of Deputies reiterated its approval of the original version—which was first approved on 1 December—because it either had to accept or reject all the amendments suggested by the Senate, as the bill could not return to the Senate for further discussion.

Congress rejected an increase of 12 million pesos for the Natural Resources Secretariat, an increase of 8.5 million

pesos for the Secretariat for the Prevention of Drug Abuse and Antinarcotics Struggle, and an increase of 3 million pesos for the Interior Security Secretariat.

Congress also rejected an increase of 800,000 pesos for the Federal Police, an increase of 930,000 pesos for the Argentine Coast Guard, and the Border Police budget of 2.4 billion pesos.

Deputies rejected the Senate decision to assign 15 million pesos to the Interior Ministry to promote the development of a municipal and provincial infrastructure in that portfolio, and 300,000 pesos for the National Institute of Statistics and Census (Indec).

Deputies also rejected the proposal to appropriate 15 million pesos to remodel the Congress building in order to be able to receive, as of next year, the additional senator per province.

The budget bill contemplates an increase in gross domestic product of 6.5 percent and a combined prices growth rate (inflation) of 3 percent—a 4 percent wholesale price increase and a 2 percent retail price increase. The budget also maintains the exchange rate of one peso per dollar.

Total exports was put at 17.422 billion pesos and total imports at 21.787 billion pesos, which means our balance of trade will have a deficit of 4.365 billion pesos.

The budget also establishes a 10 percent reduction in goods and services spending, increases the appropriation for education by 20 percent, and appropriates a special amount of 297 million pesos for implementing the Voluntary Military Service.

Menem Confirms Peso Not To Be Devalued

PY2312234394 Buenos Aires TELAM in Spanish 1223 GMT 23 Dec 94

[FBIS Translated Text] Buenos Aires, 23 Dec (TELAM)—President Carlos Menem today confirmed that there is not the slightest possibility of a peso devaluation. He emphasized that he would not tolerate any increases in public spending.

Menem said: "We will not tolerate an increase in public spending when what we require is greater austerity in order to endure these setbacks caused by the economic overflows in some other countries of our continent, like Mexico."

In remarks to Radio America, Menem emphasized: "We will see how public spending develops. If there is any kind of increase, we will attempt to veto it."

Menem confirmed that there is not the "slightest possibility" of changing the foreign exchange rate. He said that the Mexican devaluation had had repercussions "in such firm markets as Chile and Brazil, which were fully

evolving toward stability; but if they keep up their planning, all of us will quickly get out of trouble. I don't believe it will take long."

The president also announced that the first "White Helmets" mission will be carried out in the "most neglected" areas of the Argentine Republic.

The president noted: "Charity begins at home. The 'White Helmets' will begin operating in Salta Province, Jujuy Province, and the most neglected areas in Argentina."

President Menem also admitted that unemployment is growing in Argentina. He emphasized, however, that "we will fight unemployment with the housing programs" that were approved by the national Congress.

The president noted that new production technologies are responsible for growing unemployment.

The president pointed out: "As everywhere else in the world, unemployment grows as new production technologies are implemented."

In this regard, Menem added that the second five-year program, which will be implemented next year, "will use the manpower."

Menem described this year as "positive" for the Argentine Republic, indicating: "We have grown again. Stability has been kept. Production has increased. Job openings have increased significantly. The Mercosur [Common Market of the South] integration has been achieved. Argentina has been reinstated into the international context, and there are great possibilities in the future."

The president was also "very optimistic" for next year. In this regard he noted that Congress approved the 1995 budget "for the fourth consecutive year."

Menem ultimately talked about "some" personal "inconveniences" that he had experienced this year, "caused by some media (that intruded) into the private life of the president's family."

Menem said: "When press freedom is used as a ladder to intrude into people's private lives, it is no longer press freedom, and truly becomes press dictatorship."

Argentina, Paraguay Reach Accord on Pilcomayo River

PY2312004294 Buenos Aires TELAM in Spanish 2245 GMT 21 Dec 94

[FBIS Translated Text] Buenos Aires, 21 Dec (TELAM)—Argentina and Paraguay have agreed to share the Pilcomayo River equitably. The two countries decided to carry out a number of joint projects in the lower Pilcomayo River zone.

"The purpose of the projects implemented by the two countries is to stop the silting process (filling of the water

channel with sediments) and the consequent drying up of the river," the Foreign Ministry announced today.

The river control structures built by Argentina on the right bank of the river ended on 4 October, in accordance with the schedule, dimensions, and characteristics agreed upon with Paraguay.

As a result of the projects implemented by the two countries, it was possible to distribute the water to both nations equitably.

This act marked the successful end of the 1994 schedule of projects in the lower Pilcomayo River zone.

In order to attest to this satisfactory effort, on 16 December Argentine Foreign Minister Guido Di Tella and Paraguayan Foreign Minister Luis Maria Ramirez Boettner signed a document in Ouro Preto (Brazil) expressing "satisfaction" over the fulfillment of the Program of Approved Projects.

In the document the foreign ministers expressed their satisfaction "over having achieved an equitable distribution of the Pilcomayo River waters."

Both foreign ministers instructed their national commissions to "do their utmost" to build the Control System agreed upon by both countries, in order to ensure as soon as possible "a lasting solution" to the problem.

Di Tella and Ramirez Boettner stressed the importance of an early meeting of the Trinational Commission for the Pilcomayo River Basin Development, which also includes Bolivia.

Bolivia

Antidrug Force Arrests MIR Leader Oscar Eid

PY2612210594 Madrid EFE in Spanish 1737 GMT 26 Dec 94

[FBIS Translated Text] La Paz, 26 Dec (EFE)—Oscar Eid, chief of the Movement of the Revolutionary Left [MIR], which is the party of ex-President Jaime Paz Zamora, was arrested today in La Paz by the Special Antinarcotics Force (FELCN) as part of a process opened by the Chamber of Deputies to try Eid for allegedly protecting drug trafficking.

Police sources confirmed to EFE that the FELCN arrested Oscar Eid in an operation just before noon (1700 GMT).

The information on Eid's arrest, which was announced by Radio Fides, was confirmed to EFE by the FELCN. But Judge Nancy de Altuzarra of the First Court of Controlled Substances told EFE she knew nothing about an order for Eid's arrest. Altuzarra said an arrest without the legal steps is "a violation" of the law by the FELCN.

When FELCN Chief Renato Lopez Leyton was asked about it, he told EFE he was not informed about the arrest and that he would go immediately to his office to confirm the information.

The Chamber of Deputies decided that Oscar Eid would be processed under antidrug Law 1008 and that some 12 other people, including the sister of ex-President Paz Zamora, would be investigated by the FELCN.

Paz Zamora (1989-1993) and his ex-Interior Minister Guillermo Capobianco can be tried on the initiative of any citizen or any congressman according to a resolution of the Chamber of Deputies at the conclusion of an investigation on the alleged links between drug traffickers and MIR leaders who allegedly received money for their electoral campaigns in exchange for protecting drug trafficking.

Court Postpones Decision on Rico Toro, Denies Extraditions

PY2112184594 La Paz Television Nacional Network in Spanish 1700 GMT 21 Dec 94

[FBIS Translated Text] We have a report from Sucre in relation to a Supreme Court decision. The Fides news agency reported today that the case involving Colonel Faustino Rico Toro has been postponed until January because there was a tie in the voting: Four justices reportedly voted in favor of Rico Toro's extradition to the United States and four voted against it. Other justices will be summoned next January to define this situation and break the tie.

The Supreme Court also denied the extradition of Rolando Suarez Landivar and Felipe Roca Ali, who are also wanted by the U.S. Government for alleged drug trafficking.

Brazil

Senate Approves Budget Resolutions on Sivam Project

PY2212234994 Sao Paulo AGENCIA ESTADO in Portuguese 2138 GMT 22 Dec 94

[Report by Itamar Garcez]

[FBIS Translated Text] Brasilia, 22 Dec (AE)—Influenced by a powerful lobbying group that originates in Washington and reaches the offices of leading congressmen in Brasilia, the Senate approved on Wednesday night (21 December) five draft resolutions authorizing the Brazilian Government to contract debts totaling \$1.4 billion. This money will be earmarked for financing the Sivam (Amazon Region Surveillance System), which is coordinated by the SAE (Strategic Affairs Secretariat) and by the Air Force. Fifteen years from now, when all the required equipment should have been installed, the debt will rise to \$2.8 billion because of the interest to be paid on the loan.

Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo] today charged that the session at which the resolutions were approved was held in violation of Senate internal regulations. There was neither a quorum nor support for discussing the resolutions on a top priority basis. There was not even support for the wording of the resolutions approved. In fact, the senators merely authorized Senator Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas], who is the rapporteur of the budget law, to put into words the resolutions approved yesterday.

Late in the afternoon, after making a telephone call to Paris, Suplicy confirmed that the "hastiness" of his colleagues had been unnecessary. A French company will in the next few weeks submit to the Brazilian Government a cheaper proposal than that of the U.S. consortium Raytheon, which was chosen from 11 companies to build the Sivam. According to Suplicy, through the "Over the Horizon" system Brazil would save as much as \$500 million. Suplicy also stated that SAE Secretary Mario Cesar Flores knew that a cheaper proposal was going to be submitted to the Brazilian Government. Criticizing this action, Suplicy said: "This is why I was surprised by the government's haste in having the proposal approved."

The great interest in obtaining a rapid approval of the resolutions may be inferred from the trio of senators who worked jointly on this endeavor through the night of 21 December to make it happen. They are Vice President-elect Marco Maciel (PFL-PE) [Liberal Front Party-Pernambuco], former President Jose Sarney (PMDB-Amapa), and Pedro Simon (PDMB-Rio Grande do Sul), who is the government leader in the Senate. Only Senators Suplicy and Jose Paulo Bisol (PSB-RS) [Brazilian Socialist Party-Rio Grande do Sul] opposed the resolutions.

Outside Congress, U.S. President Bill Clinton and Brazilian President Itamar Franco have also worked for the approval of the resolutions. Ten days ago, during the Summit of the Americas in Miami, Clinton told Franco and President-elect Fernando Henrique Cardoso that the U.S. Government has great interest in Sivam. When fully installed, Sivam will be instrumental in controlling aircraft traffic in the Amazon region both for ecological and drug enforcement purposes.

In the opinion of Suplicy, the U.S. interest is not limited to increasing export revenues or to increasing jobs for U.S. workers. He said: "The control of the Amazon airspace will be in the hands of foreign private companies." Sivam computers will be carrying invaluable information on the largest portion of Brazilian territory, which accounts for nearly two-thirds of the overall territory.

The Senate also rejected amendments proposed by Suplicy to the effect that biddings would be required for the purchase of equipment and supplies and for the implementation of the civil engineering portion of the

project (totaling nearly \$200 million). Furthermore, Suplicy said, these projects were approved in violation of laws governing public bidding requirements.

Provisional Measure Creating Real Reissued

PY2712114794 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 27 Dec 94

[FBIS Translated Text] The government has reissued, for the sixth time, the provisional measure creating the real. The provisional measure now carries the number 1785. One of the changes in this new version is that the federal government will no longer serve as a collateral or guarantee for contracting new loans abroad until March. Another change is that donations and privileges for companies that evade taxes will be suspended automatically.

Cardoso Discusses Foreign Policy, Summit

PY2312202394 Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Dec 94 Section 6 p 5

[Interview with President-elect Fernando Henrique Cardoso by FOLHA DE SAO PAULO special correspondents Carlos Eduardo Lins da Silva and Clovis Rossi in Miami on 11 December]

[FBIS Translated Text] [FOLHA] The national debate about Brazil's modernization—which has become a kind of catchword—has dealt mostly with domestic affairs. What about Brazil's foreign policy? Should it be "reviewed," or is it the right policy for the country the way it is?

[Cardoso] Foreign policy is not something you can change overnight. It must be consistent, and Itamaraty [Brazilian Foreign Ministry] has always had the highest regard for consistency. The world, however, has changed a great deal, so everything has to be constantly reviewed. Let us take a look at the summit here in Miami. The declaration that was issued on 11 December has many implications. We are committing ourselves to a free trade area that has to go into effect in the year 2005. Can you imagine what this will mean, if we comply with the agreements to the letter? I believe that one of the problems that Itamaraty has is its lack of liaison with the other national forces like trade unions and the corporations. I noticed this problem when I was the foreign minister.

When I was in Itamaraty I set up a business council and held the initial meeting with the union leaders because the Mercosur [Common Market of the South] will have consequences for labor. This is one of the issues that has to be revisited. I will have to think some more about creating a foreign trade department in the Ministry of Industry and Commerce. The GATT agreement, and now the Miami agreement, plus the customs union with Argentina, Uruguay, and Paraguay, are very serious developments, and yet the consequences that they may

have have not been provided for. Therefore, I have no doubts that at least in this regard we must change.

[FOLHA] The impact that the Miami agreement will have on labor, if indeed everything goes as scheduled, will be infinitely stronger than the impact that Mercosur may have. How will society adjust to it? There was an argument during preliminary negotiations: The United States wanted to bind labor rights to trade, but Itamaraty vetoed this approach, labeling it neo-protectionist. Do you share this viewpoint?

[Cardoso] Itamaraty always tries to prevent foreign conditions from restricting domestic policy. I believe, however, that we must also open up more to the world. For example, Brazil has spent years refusing to discuss the environment issue. In the end it accepted it. It also spend years resisting the atomic issue and refusing to sign the Nonproliferation Treaty. It sought oblique approaches, such as signing an agreement with Argentina or amending laws to be able to sign the Tlatelolco Treaty.

I believe that we cannot go on with this imperial approach toward other states. Just take a look at the issue of the NGO's [Nongovernmental Organizations]. It is a very sensitive question. The NGO's are heavily pressuring the World Bank and the IDB to be kept informed of what is going on. Brazil systematically opposes this, because the Brazilian state does not want its decision-making power undermined.

As far as I am concerned, this is not a matter of losing decisionmaking power, but rather of reorganizing the state in the light of a better organized civil society. At a meeting we recently held in Brasilia I heard a new term that Castells (Spanish sociologist Manuel Castells) had coined. He called the NGO's Neogovernmental Organizations. I think it is a good term, because that is what they are. Initially they saw themselves as something else, but this is what they turned out to be. This is a new development which must be included in our perception of the world. The state no longer is an enclosed organization; civilian society has penetrated its realm.

Even though bureaucrats and those who have an authoritarian approach to the state may find it difficult to accept, this is a fact. I am thinking about your question on the impact that free trade will have on labor. The first reaction is always bad, but we must realize that labor relations must keep up with the times. This issue has another aspect: Labor costs in Brazil give the country a comparative advantage. That is so, but it is an advantage gained at the expense of the people in general.

We must work for a world where labor costs are not a key to competition. The role of technology and organization should be more important. The ability to compete should not be based on exploitation of natural resources and labor. A more modern approach to this issue is needed.

[FOLHA] Given the fact that civilian society finds it difficult enough to participate in certain technical matters such as economic policy, it would appear that

participating in foreign policy would be even more difficult. How would this participation, this opening of Itamaraty to the people, be accomplished, in your opinion? What role should the news media play in this, given that Brazilian news media give very little coverage to Brazilian foreign affairs?

[Cardoso] Practically no coverage at all. Just take one example: Ambassador Ronaldo Sardenberg's hard work at the United Nations has received no coverage in Brazil. The fact that Brazil upholds this or that position at the United Nations seems to be of no national significance. No candidate broached the issue of foreign affairs during the electoral campaign. Only Mercosur was mentioned in the southern part of the country, and the Merconorte [Common Market of the North] was brought up in the northern states because they believe that Mercosur needs a Merconorte, which is not the case.

Three groups must speed up their involvement in foreign policy. One of them is the Armed Forces, which have always been involved in this issue to some degree. The two other groups have never had any participation: businessmen and academicians. Even though you may think that labor organizations are the most obstinate when discussing foreign policy issues, they have gone international. The least the academicians and the businessmen can do is follow suit.

[FOLHA] The academicians are getting better at it. Take the work of the International Studies Center of Sao Paulo State University, for example.

[Cardoso] They are getting better at it, but it is not enough.

[FOLHA] What about Congress? The number of senators and deputies who have the qualifications...

[Cardoso] And the motivation...

[FOLHA] ...and the motivation for this kind of work is very small.

[Cardoso] That is true, there are few of them, and I do believe that this is important. I have spoken with Montoro (Franco Montoro, federal deputy-elect for the PSDB-SP [Brazilian Social Democracy Party-Sao Paulo State]) about this, and he told me that he may be the future chairman of the Foreign Relations Committee of the Chamber of Deputies. My answer was: "That will be nice." The thing is that Montoro is an active person; he gets things moving. I have many times tried to encourage the Senate to debate this issue, but never got much response. Even though the Senate is much closer to Itamaraty than the Chamber of Deputies, it is not as involved in the discussion of Itamaraty's policy.

Just take a look at the problems we have had to get the law on patents approved. You may be for this law or against it, but you must realize that this is an important issue. I went to Hungary, and our ambassador there told me: "For the love of God, please approve the cultural

treaty between Brazil and Hungary, because it would make things easy for me here. I can get a lot of advantages here in Hungary, like concert halls for Brazilian artists." It is not that things do not get approved because somebody is against them. Nobody opposes a treaty between Brazil and Hungary. It is just that nobody is interested, either. I believe that this is something that will have to be tackled through congressional reform. There is some movement in this direction already. Perhaps people should start looking at congressional committees from a different viewpoint. In Brazil we always want to rotate lawmakers to prevent them from getting entrenched in the Budget Committee, for example. The point is, however, that when there is constant rotation there is nobody to follow up on policies. In the United States, in Great Britain, lawmakers specialize. If a given senator is interested in foreign relations, why not leave him in the Foreign Relations Committee which, by the way, is very much in demand here, but for different reasons.

[FOLHA] Because of the trips?

[Cardoso] No. There is no money for trips. It is a matter of prestige. Contacts with Itamaraty are good from the point of view of prestige. The executive branch is partly to blame for this lack of interest in foreign affairs, because of its inability to involve these people, to motivate them. Let us take the law on patents, for example. I met several times with Andrade Vieira (senator and president of the PTB [Brazilian Labor Party]), and with officials of the Science and Technology Committee to discuss this law. The executive branch must communicate with the lawmakers and supply information so that they can participate. It must also involve the news media.

In the old days, O ESTADO DE SAO PAULO—just to mention a newspaper other than yours—did not print any local news on the front page, only international news. It is true that in those days international politics had more importance for Brazilians than they do nowadays. Still, there is a serious lack of international information today.

[FOLHA] As an intellectual, do you believe that these 10 years of constant or semi-constant crises, full of absolutely horrible developments, following the movement in favor of direct elections have made Brazil turn inwards? Or that now that investments—regardless of whether they are productive or speculative—are flowing into Brazil, and it is simultaneously negotiating with different blocs, Brazil's international policy will gain preeminence?

[Cardoso] Yes, it will, I believe so.

[FOLHA] Shouldn't something be done to explain to the average person the effect of international relations on his life? Even though Itamaraty has this outstanding group of people who do an excellent job, it is not particularly

interested in letting the average citizen know how international policy decisions affect his everyday life.

[Cardoso] The fact is that Itamaraty is self-restrained. It is very much an inner circle, reticent to open up. In a somewhat old-fashioned way it believes that its affairs are state affairs. There are no more state affairs nowadays, they are all national affairs, society's affairs.

There is resistance to going this way. Even the Armed Forces are making an effort to change state affairs into national affairs. They go out, they provide information, explanations. This trip that brought President Itamar Franco and myself here should be discussed in Congress. Even I was surprised by the progress made toward this free trade area (meaning the FTAA, the Free Trade Area of the Americas), and I doubt very much that our businessmen are on the ball about it.

Perhaps the Industries and Commerce Ministry should get more actively involved in foreign trade. It is true that Itamaraty is already negotiating, and is negotiating well. Negotiating treaties, however, is one thing, and implementing a foreign trade policy is something else again. That is not being done. Now that we are into stabilization it is better not to rock any boats. The president of the nation, however, believes that we must broaden the scope of stabilization: The decisions we make now will mark the future of the country.

[FOLHA] If the agreement that was negotiated here gets implemented, it will affect the everyday lives of the average people, and they do not know this. They believe that the presidents got together here to discuss ethereal matters, utopias...

[Cardoso] Yes, and then these things come true after some time. The agreements that were signed here must therefore be discussed in Brazil.

[FOLHA] Isn't there an element of risk in what was signed here? Because of the economic power of the United States, would not the fatal attraction that most Latin American countries are bound to feel toward the North Americans act like a kind of suction pump that will thwart the efforts of Mercosur, and even of the SAFTA (South American Free Trade Area) that Brazil is proposing?

[Cardoso] The idea is to integrate the many smaller integration projects. It is, however, undeniable that the United States' invitation to Chile to join NAFTA (North American Free Trade Agreement) interferes with the talks between Chile and Mercosur. That is why Brazil proposed SAFTA.

In the talks I held with various presidents here (things are changing in this regard as well, because I have very direct relations with Latin American presidents, which helps of course), I saw that they are not very clear on how to go about integration. They all want to expand subregional integration, and view the FTAA as something in

the far future. The problem is that a date has been set, and once a date has been set it is difficult to renegotiate it.

Asia is taking a much slower approach to integration, stipulating different timetables for underdeveloped countries. The prime minister of Barbados was talking about it today. It will come to that. As I said at the meeting, the most serious challenge lies ahead of Brazil.

Brazil has to take the most risky step because it is the most industrialized country after the United States and Canada. This means that we must study every item one by one. The FTAA will not be like the Mercosur. Within the Mercosur, Brazil has comparative advantages. In the FTAA it will have comparative disadvantages. This will call for heavy investments and the speedy development of technology, even subsidies to help Brazilian industry compete. It is not a question of integrating the continent and disintegrating Brazilian industry.

[FOLHA] More subsidies? Where will the money come from?

[Cardoso] No. We do not have it. There is no money. Loans will be the thing. The interest rates will have to come down. They are already coming down. That is very important. The three most essential things are long-term loans, a struggle against dumping, and the transfer of technology. These are things about which we cannot remain idle. Therefore I believe that the Ministry of Industry and Commerce will play a very constructive role in Brazil.

[FOLHA] What about relations between Brazil and the United States? These relations have always been complicated, difficult, and conflict-ridden. In Europe you talked about a relationship free from inferiority feelings and conflicts. Now we are facing a somewhat new situation in which Brazil will have to...

[Cardoso] There will be modern conflicts. Things have changed indeed. In the past we have had many petty squabbles. This has been changing under Itamar Franco's administration, in the sense that unnecessary conflicts were done away with. This does not mean that Brazil does not have interests of its own, just as Great Britain, France, or Japan. They are always arguing with the United States. Should there be any problems, we must deal with them within the current status quo, not in the old-fashioned way. It is no longer the case of "doing everything your teacher tells you." Not at all. A new political structure has been defined, and within this structure we must defend our interests. That is something the North Americans can understand.

Clinton surprised me favorably. He is going back to the issues he raised during his campaign. He is practically rethinking his approach because he lost the elections. He is, however, a very open person. I talked to him all the way to the island (Fisher Island, where the gala dinner was held on 9 December). He is a very straightforward,

open person, without a hint of arrogance, as one would expect from a U.S. president.

Do you know anything about this North American feeling that they know nothing about in Brazil, this genuine desire to help out thy neighbor? Well, I believe that Clinton is a little bit like that. If people take advantage of this opportunity in every way, we will be able to negotiate well and launch a new phase of relations with the United States.

[FOLHA] So the previous North-South conflict will now turn into a conflict between developed and nearly developed nations [Norte-Quase Norte]?

[Cardoso] Yes. That is the idea.

Central Bank Sells \$1.5 Billion To Counter Mexican Crisis

PY2412002994 Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Dec 94 p 1

[FBIS Translated Text] Banking sources have estimated that the Mexican money exchange crisis, which began on 19 December, yesterday forced the Brazilian Central Bank [BC] to sell a total of \$1.5 billion—intervening in the market 10 times—to stop the rising dollar exchange rate. The crisis again affected the stock exchanges, which dropped by 6.09 percent in Sao Paulo and by 5.95 percent in Rio de Janeiro, due primarily to the order to sell imparted by foreign investors. Despite the climate of uncertainty, the administrators of foreign capital investments have unanimously conveyed their belief that as soon as the panic subsides on the Latin American financial markets, Brazil will become the leading recipient of new foreign investments.

Corruption Report Shows \$23 Billion Sent Abroad

PY2712135994 Sao Paulo AGENCIA ESTADO in Portuguese 2130 GMT 26 Dec 94

[FBIS Translated Text] Brasilia, 26 Dec (AE)—One of the basic measures to combat corruption suggested in a report sent by President Itamar Franco to President-elect Fernando Henrique Cardoso is the lifting of bank secrecy during tax evasion investigations by the Federal Revenue Office and the Federal Police. Federal Administration Secretary Romildo Canhim, who drafted the mentioned report, said bank secrecy protects the mafias that loot the Treasury and illegally remit the money abroad for laundering, with the connivance of banks and financial institutions.

Canhim's report states that between 1989 and 1993 nearly \$23 billion from corruption, tax evasion, drug trafficking, and other illegal activities in Brazil were remitted abroad. The remittance mechanisms most favored are the Central Bank Circular No. 5, called CC-5, exchange operations mediated by financial institutions, and false import and export operations. "Bank secrecy is regarded as a dogma which prevents investigations," Canhim reports.

The CEI [Special Investigative Committee] has verified that corruption in the public sector operates from within, that is, gangs are installed within the government in strategic posts. For example, 10 out of 12 contracts between the Transportation Ministry and large construction companies contain irregularities that caused a loss of nearly \$700 million for the government; in the Social Welfare Ministry, 20,000 health insurance contracts are under suspicion; and all the health insurance contracts investigated by the CEI contain irregularities.

Canhim defended the attack on corruption proposed by the next administration. This must be done in a permanent manner so as to ensure a follow up by society represented by the OAB [Brazilian Attorneys Association], the Attorney General's Office, and universities. This follow up model designed by the CEI. Canhim states: "Corruption within the government is greater than we thought and it must be permanently fought." He says there is no justification for a rich country like Brazil to have one third of its population living in poverty while the resources that should benefit them are swindled away.

Chile

Minister: Environment, Labor Key Issues for NAFTA

PY2712020194 Santiago EL MERCURIO in Spanish
14 Dec 94 p C2

[Article by Patricio Gomez Couchot]

[FBIS Translated Excerpt] Concepcion—Chilean Public Works Minister Ricardo Lagos has said that Chile must autonomously define its environment and labor guidelines before beginning negotiations to join NAFTA to prevent the imposition of regulations disregarding our situation.

He said: "It would be extremely inappropriate for countries which are now developed and which reached that condition by carrying out depredation in the past to now want to impose certain conditions. Anyone who has been involved in international negotiations in that field knows that the negotiations, in which the problems of environment and labor are extremely important, will be complex and difficult."

Lagos said that based on those definitions, Chile should be able to begin negotiations for joining NAFTA. He said: "We have the challenge of setting our own levels of development without carrying out depredation the way it was done in the past. But we also have to be careful to prevent the environment issue from stopping us from developing adequately. Those definitions will help us have clearer negotiations with NAFTA, the EEC, Mercosur [Common Market of the South], and Asia."

He said there will be free trade and low tariffs in the future but that many developed countries will seek other

measures to protect themselves. He explained there is talk about "green barriers," that is a group of environmental measures for the production of certain goods and services.

Lagos emphasized that based on the framework law for the environment, other definitions must be made such as the administration of water basins and hydroelectric plants.

Lagos noted this is possible because there are countries like Mexico which have succeeded, after taking a hard stand on the environment and labor issues, in imposing their points of view. [passage omitted]

Draft Law Gives Supreme Court New Powers

95SM0077B Santiago EL MERCURIO in Spanish 6
Nov 94 pp A1, A20

[Article by Jenny del Rio]

[FBIS Translated Text] Valparaiso—The Supreme Court will have additional powers after passage of the bill on the composition, organization, and powers of the high court. The legislation also makes changes in the complaint appeal [recurso de queja] and appeal for dismissal [recurso de casacion] processes.

This initiative, which is part of the "package" of judiciary reforms, is close to final passage. All that remains is for the Chamber of Deputies to approve a report from the bicameral committee, which may happen this week. This reform comes at a time when the country as a whole is debating the need to modernize the administration of justice, an issue that was also addressed at the Conference of Supreme Court Chief Justices of America, which was held from Wednesday through Friday of last week.

In the bill, the most important power (in the opinion of the government and those who approved it), and also the most controversial one (according to those who challenged it), is the one allowing the Supreme Court to immediately reject appeals for dismissal filed on substantive grounds if they lack "legal relevance" and do not warrant the court's attention if it has other, more important matters to hear.

The objective is to prevent the high court from becoming a de facto appeals court, which could eventually require it to hear every case litigated in the country, thus nullifying its main function.

Those who approved this measure stated that in exercising the power granted it, the Supreme Court must consider the case's "legal relevance" to the proper interpretation and application of the law, from the standpoint not of the appellant's personal interests, but of society's general interest in being assured of legal certainty and uniform interpretation of the law.

Backers argued that this does not threaten the right to equality before the law and is not discriminatory; on the one hand, everyone will have the right to file an appeal

for dismissal on substantive grounds in the situations and manners provided by law, and on the other hand, everyone who exercises this right will be bound by the court's decision.

In contrast, critics of the power stated that it constitutes "unjust and unconstitutional discrimination" against individuals, and that it is a threat to legal certainty and equality before the law, since the law would be enforced in a certain way for some people and in a different way for others, without the assurance that a court of appeals is required to apply the law equally or uniformly.

They pointed out that giving this power to the Supreme Court actually amounts to conferring upon the high court the status of an academic entity, distorting its inherent function of resolving specific cases submitted to it for decision.

Institutional Senator Olga Felio and Socialist Deputy Jose Antonio Viera-Gallo have already filed a formal constitutional challenge alleging that the law would violate the guarantees contained in Article 19 of the Constitution (which have been laid down in "the history of the law").

This reform should be reviewed by the Constitutional Tribunal before being promulgated, given the matters it regulates and the standards it sets.

'Collapse' of Justice

Senator Miguel Otero of National Renewal (RN) explained in detail the most significant aspects of this Supreme Court reform measure, which could not be passed until the previous administration agreed to withdraw the original text it had sent to the lower house and submit it to the Senate, where a consensus was forged.

One proposal by the government to increase the number of justices on the Supreme Court from 17 to 21 could not be agreed upon and was finally rejected.

As for the appeals for dismissal, Otero stated that a number of requirements have been eliminated (the amount of money involved, the court deposit, the penalty against the losing attorney) to make it more accessible.

He indicated that the high court must necessarily review the admissibility of the appeal for dismissal, and it may reject the appeal on procedural grounds (if it was filed after the deadline or by an attorney who has not been admitted to the bar) or because it has concluded that the appeal has no legal grounds whatsoever.

A unanimous vote of the justices is required to reject an appeal on those grounds. If just one justice dissents, the appeal has to be heard. "Moreover, even if there is unanimity, the party has a right to request a reinstatement," he added.

According to Otero, this will enable the court to regulate its workload.

It was reported that by the end of 1992, the Supreme Court had a backlog of approximately 1,500 appeals for dismissal filed on substantive grounds.

The restriction imposed on the complaint appeal (approved as part of this reform) and the inclusion of labor matters in those eligible for appeals for dismissal could translate into 500 additional appeals for dismissal each year.

It was noted that each panel of the Supreme Court can reasonably be expected to resolve one appeal for dismissal on substantive grounds per day, which would mean that 740 such appeals could be decided each year, assuming that the Supreme Court will have four panels.

Given this background, in the near future the Supreme Court may be asked to rule on nearly 2,000 appeals for dismissal on substantive grounds, it was stated. This would mean that if it does not impose any selection criteria, only one-third of the appeals could be decided, and two-thirds would remain backlogged. The result could be the "collapse of justice."

Senator Otero pointed out that this Supreme Court reform is accompanied by other reforms of the judiciary, affecting the Judicial Academy and the judicial profession.

In response to a specific question, Otero discounted criticism of this new power of the Supreme Court by some legislators, saying, "Either you have faith in the Supreme Court or you do not! If you think the court will abuse this power and therefore will not hear appeals, then we should not have a Supreme Court and we should not have a court."

Contradictory Rulings

Otero also said that this Supreme Court reform will eliminate, to the extent humanly possible, the tendency of the different panels to issue contradictory rulings.

"If a single case is decided in a contradictory manner by the panels of the court, a third party coming along with an appeal for dismissal can ask that the new case be heard by the full court. Today, that does not happen, because there is one panel that says white, another that says black, and yet another that says gray. And if you happen to get the white court, you come out white ..., " he explained.

Under the new law, he said, if one panel says white and the other says black, when the new case comes to the Supreme Court, the party in question (either the appellant or the appellee) can tell the court that there have been contradictory rulings and therefore the case must be resolved by the full court. That will allow for uniformity of jurisprudence.

In response to a question, Otero indicated that if different panels of the high court have different interpretations of the amnesty law, the parties can ask the full court

to resolve the matter. "And that ruling by the Supreme Court, obviously, will be binding on all the panels thereafter," he declared.

Complaint Appeal

With regard to the complaint appeal, Otero emphasized that this type of appeal "is done away with once and for all" for cases in which a decision is appealed on jurisdictional grounds. Therefore, jurisdiction cannot be modified by means of a complaint appeal.

This change will eliminate the current practice in which complaint appeals—which are strictly disciplinary—are used in a way that creates an appeals court for the appeals court, a limitless jurisdictional remedy.

Unlike the appeal for dismissal on substantive grounds, in which the Supreme Court cannot change the facts and must focus exclusively on whether the law was applied properly, the complaint appeal involves a review of the facts, and everything could be reheard.

"This was an anomaly that everyone was criticizing, and the Supreme Court's caseload was such that there was no way it could hear the appeals for dismissal because of the extremely high number of complaint appeals coming in," said Otero.

He explained that the complaint appeal will be restricted to claims of serious error or abuse. In other words, it will be used to attack the jurisdictional issue in the case of decisions by arbiter-referees. That is the only exception, or when there is a court for which there is no avenue for jurisdictional appeals.

He indicated that in the future, when a complaint appeal is accepted, it will be because there was a serious error or abuse, not a difference of opinion or different interpretations of the law.

Specialized Panels

According to this reform measure, every two years the Supreme Court must issue a joint ruling [ruling in which all justices participate] establishing the types of cases that each panel will hear, in both their regular and their special functions. It will indicate which panel or panels will hear civil, criminal, constitutional, administrative, labor, juvenile, tax, and other types of cases to be determined by the court itself.

Colombia

11 Killed in ELN Attacks in Cartagena

PA2312193694 Santa Fe de Bogota Inravisión
Television Cadena 1 in Spanish 1730 GMT 23 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] The Army of National Liberation [ELN] is responsible for the terrorist attacks which

have taken place in Cartagena in the last few hours and which have already killed 11 people according to the authorities.

The total number of people killed in the terrorist attacks on three buses in Cartagena is 11. Ivonne Duran Garcia died a few hours ago. She was approximately 30 years old and suffered severe burns on her face and body. Only two bodies have been identified by forensic medicine: (Pedro Bonfante de Avila) and Livia Matorel Maza. The fire did not destroy their identification documents.

The rest of the remains are unidentified, because their bodies were dismembered inside the buses. Among the victims were two minors and a pregnant woman.

Four people so far have been arrested as suspects of the terrorist action, which was initially attributed to urban groups of the Simon Bolivar National Guerrilla Coordinating Board.

Minister: 'Terrorist' Wave Subsides

PA2412200294 Santa Fe de Bogota Inravisión
Television Canal A Network in Spanish 1800 GMT 24 Dec 94

[From the "Cripton Newscast"]

[FBIS Translated Text] Defense Minister Fernando Botero Zea said this morning that the terrorist wave that hit Cartagena on 22 December has subsided and that the vacation season does not have to be affected by it. Chelo Garcia spoke with Botero a few minutes ago:

[Begin Botero recording] The most important thing I want to inform people of is that there is no such terrorist wave hitting Cartagena, the tourist industry, or those tourists vacationing in Cartagena. The most likely theory is that the ELN [Army of National Liberation] perpetrated these acts against the individual who owned those buses. This incident has something to do with extortion. This action is definitely not a terrorist wave against the city itself or the vacation season.

The Defense Ministry, in coordination with the police and the military forces, is carrying out a major security operation to guarantee public order and the security of all people of Cartagena, especially tourists and residents. Thus, those Colombians planning to go to Cartagena can be certain the government is taking all measures to guarantee peace and calmness in that beautiful city. [end recording]

Military Placed on Alert To Prevent Attacks

PA2412015194 Santa Fe de Bogota Inravisión
Television Canal A Network in Spanish 0000 GMT 24 Dec 94

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Colombia's military forces have declared a state of alert to maintain public order

throughout the country. Meanwhile, the police have reported the existence of a guerrilla terrorist plan for the end of the year. According to the police director, the main objective pursued by the guerrillas at the end of 1994 is to carry out attacks against the Armed Forces and police.

[Begin Police Director General Roza Jose Serrano recording] The guerrillas will take advantage of any negligence or mistake the authorities might make during the Christmas and New Year holidays to carry out some type of attack. Generally, they wage attacks when there are no risks involved, or when they are feeling overconfident. [end recording]

Today, the police declared a red alert and implemented special security measures at all tourism centers, especially in the city of Cartagena de Indias. In addition, police units have been reinforced and a helicopter will provide support to ground forces. The government is guaranteeing security to all tourists preparing to visit Cartagena de Indias.

[Begin Government Minister Horacio Serpa recording] Let them all go and enjoy their holidays. Let them enjoy themselves. Let them rest assured that the authorities will be vigilant to enable them to enjoy their holidays. [end recording]

The authorities do not rule out the possibility that what took place in Cartagena de Indias could have been a retribution against a bus owner who stopped paying extortion money to the ELN [Army of National Liberation] guerrillas.

Samper Cited on Pacification Formula With Guerrillas

PA2312194594 Hamburg DPA in Spanish 1630 GMT 22 Dec 94

[FBIS Translated Text] Santa Fe de Bogota, 22 Dec (DPA)—Colombian President Ernesto Samper reiterated today his promise to build during his four-year term "a peace that transcends the silencing of the rifles" of the guerrillas and other violent sectors. Colombia has been negatively affected by violence for several decades.

"The pacification formula I am proposing demands in-depth social reforms as well as the participation of rural regions, minority ethnic groups, and political sectors in the country's decisions," Samper said. The president is an economist and lawyer with a "progressive" position who assumed the Presidency on 7 August.

Colombia, a country that has resisted a terrorist campaign by leftist rebels, paramilitary groups, and cocaine traffickers, has initiated a "comprehensive" program "to bring about new living conditions for many people who have taken refuge in violence," insisted the president when he talked to the German News Agency (DPA).

Part of Samper's program includes: the launching of a solidarity network with which they will attempt to get

approximately 12 million Colombians out of their extreme poverty; and the implementation of a social pact on wages, prices, and productivity, as agreed upon with businessmen and workers, to lower the inflation rate to 18 percent in 1995 and 10 percent in 1998.

The president insisted, however, reaching a peace agreement with the guerrillas and getting the drug traffickers to surrender will not only allow Colombians to live untroubled, but such achievements will also further attract foreign investors and ease the flow of labor and the exchange of goods and services, now that the country has ushered in free trade.

Samper recently presented an "audacious" pacification proposal—the rebels have considered it "interesting" and expressed their willingness to renew talks with the government—and has reiterated he will combat drug traffickers, "but without allowing the country to become the "Vietnam" of the drug war."

Despite the violence, the president said Colombia is "one of the most attractive countries in Latin America in which to invest, because we generate much business here, and this point is what really motivates a businessman. We also have a long history of macroeconomic and political stability."

"In any case," the chief of state said "our country's stability and progress are due to its people (...) if Colombia did not have Colombians, it would have sunk a long time ago."

Emphasizing the relation between "comprehensive peace" and the commercial commitments made by his country, Samper said "we have to be competitive if we want to be successful in the 'international big leagues.' To achieve this goal, we have to understand the concept of efficiency and that it goes hand in hand with quality."

Peace Commissioner Encouraged by Talks With Guerrillas

PA2212195794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 Dec 94

[Telephone interview with Peace Commissioner Carlos Holmes by Caracol news director Dario Arizmendi; from "Caracol's 0600 to 0900" newscast—live]

[FBIS Translated Text] [Arizmendi] Good morning. What is the government's opinion of the letter by Manuel Perez, the top leader of the self-styled National Liberation Army [ELN], which is critical and expresses his opposition to the so-called rural security cooperatives?

[Holmes Trujillo] The letter was obviously sent before the government decided to create the rural security cooperatives. This decision, well-known to everyone, was made to appease protests over high crime rates in the

countryside and to maintain the favorable atmosphere that has been created vis-a-vis possible negotiations with the guerrillas.

[Arizmendi] Is the government optimistic about the recent decrease in the number of subversive operations? Do you believe that conditions exist for a peaceful holiday season?

[Holmes Trujillo] That is our hope. The signs are encouraging. This does not mean we are trying to create false expectations, since this problem is complex. I believe this is a very auspicious time to think about the repercussions that compliance and agreement with principles of international humanitarian law could have on possible peace negotiations with the guerrillas.

[Arizmendi] In the time since your presentation to the president and other Colombians of your evaluation of the first 100 days of the Samper administration, have talks continued sub rosa in an attempt to establish a process that would lead to peace negotiations in early 1995?

[Holmes Trujillo] Let us recall events since 17 December. There was, for instance, a statement by the leadership of the Revolutionary Armed Forces of Colombia which the government viewed as constructive and helpful in preparing for future negotiations. There was a communique from the Popular Liberation Army which the government deemed favorable to the progress of possible negotiations. There were also statements for peace by the Jaime Bateman Cayon Group. Before 17 December, there were other positive statements by the ELN leadership. Later, the letter released yesterday was received. As I have pointed out, this letter was obviously sent before the decision was adopted.

I must reiterate: It is necessary that we think about repercussions that the norms of international humanitarian law could have on the prospects for initiating new negotiations with the guerrillas. I must also reiterate to this effect that the president has expressed his willingness to accept the verification of the peace process.

Paraguay

Uruguayan President-Elect Arrives for Visit

PY2212134194 Asuncion ABC COLOR in Spanish 22 Dec 94 p 10

[FBIS Translated Text] Referring to the Mercosur [Common Market of the South], Uruguayan President-elect Julio Maria Sanguinetti stated last night that at this time South America is experiencing an economic transition that consists of moving from a national to a regional economy. He made this remark a few minutes after arriving in our country on 21 December for a 24-hour visit.

Sanguinetti will meet with President Juan Carlos Wasmosy this morning at 1000 at Government House. His

visit is part of a trip comprised of stops in the Mercosur countries. On 19 December he visited Argentina, where he met with President Carlos Menem, and on 21 December he visited Brazil, where he met with President Itamar Franco.

The future Uruguayan president told journalists at the presidential sector of the international airport on 21 December that the dialogue between himself and Wasmosy will be centered mainly on the Mercosur. "We are moving in the same direction. In our country we have not changed our international policy. But, circumstances have changed within the internal sphere. At that time, we had to make an institutional change, with all that that implies, and today the challenges are of another type," Sanguinetti said when he recalled his previous tenure as Uruguayan president.

It is his opinion that beginning with the democratic reconstruction of South America, which began 10 years ago, the integration process has become more vigorous. "If you prefer to view it in this manner, there is now another transition, but it is an economic one: That of moving from a national to a regional economy," he said.

Sanguinetti will meet with Wasmosy at 1000 at Government House. He will then visit the presidents of the Chamber of Deputies and of the Senate, and at 1200 he will meet with Vice President Angel Roberto Seifart.

At 1300 he will have a private lunch with Wasmosy at Mbuvicha Roga [presidential residence]; at 1530, he will return to his country.

Sanguinetti arrived punctually at 2030 on 21 December, as had been announced by Government House, on a private flight, and he was met by Foreign Minister Luis Maria Ramirez Boettner, State Ceremonial Director Ceferino Valdez, Foreign Ministry Protocol Director Geronimo Narvaez, and Uruguayan Ambassador Carlos Alberico Villar.

Sanguinetti on Military Issues, Democracy

PY2312213794 Asuncion ABC COLOR in Spanish 23 Dec 94 p 2

[FBIS Translated Text] Before returning to Montevideo at the end of a tour of the four Mercosur [Common Market of the South] countries, Uruguayan President-elect Julio Maria Sanguinetti met with President Juan Carlos Wasmosy at the Lopez Palace yesterday. Speaking with the journalists after the meeting, Sanguinetti said the strengthening of democracy represents the best protection against messianism. He said if democracy is strengthened, "there is no room for any messianism, be it from the military, guerrillas, or anywhere else."

Sanguinetti noted: "If we are incapable of strengthening our democracy, if we misrepresent democratic institutions, if we spread disbelief, if we make citizens view the democratic institutions with disbelief, we will create an atmosphere for all sorts of messianism: civilian, military, left, or right."

Sanguinetti added: "The strengthening of democracy depends on us democrats. If democracy is strong, there is no risk. If democracy is weak or is weakened, those jeopardizing it will gain ground."

Sanguinetti said this is the great lesson that must be grasped. "With a positive attitude, we must attach great value to the progress made," he said. He pointed out that Paraguay now "abides by the laws," that there is more respect for the laws in Paraguay, with an increasingly independent legal system. Sanguinetti recommended: "I see the press exercising its freedom. Exercising this freedom, you journalists can ask me anything and I try to respond to you with the same openness. I see democratic institutions working and developing normally. Democratic institutions are our best asset, an asset that we must attempt to value, emphasize, improve, and strengthen."

Still talking about Paraguay, Sanguinetti emphasized: "We want a strengthened Paraguayan democracy." Specifically talking about Wasmosy, Sanguinetti said: "I see a civilian president exercising his mandate normally, with events proper of a democratic president's life, a democratic president who must exercise authority and power, and fulfill his duties."

Sanguinetti pointed out that society as a whole must strengthen the authority of a civilian president, "attaching value to what is valuable and seeking to calmly view what must be calmly viewed." He said: "This represents a difficult transition in which the president plays a very important role. The development of the Paraguayan process is noteworthy. A historic mandate was fulfilled during the government of General Andres Rodriguez. He kept his promise to hand over power, and now President Wasmosy is exercising his powers normally."

Discussing Mercosur, Sanguinetti said authoritarian governments delayed the integration of this part of America. He emphasized that it was difficult to integrate democratic and nondemocratic governments. He pointed out that our country currently "is open to the world." Sanguinetti emphasized that the Armed Forces must be subordinated to the civilian power.

Sanguinetti explained that the Armed Forces have been playing a key role for a long time and now, under a democratic system, both the Armed Forces and civilians must adjust themselves, "which is not easy." He said: "That is the art of transition, in which skill and intelligence become apparent so that the society as a whole, and not civilians or military men alone, can achieve an adjustment."

Sanguinetti emphasized that the Armed Forces must be peacefully integrated into the state as an institution subordinated to the regular authorities and branches of a democratic state. Sanguinetti finally said: "If either side enters this process with a revengeful spirit, it will be very difficult to achieve pacification, which is fundamental."

Peru

Daily Views Summit Challenges, 'Positive Results'
PY2212153494 Lima EL COMERCIO in Spanish 13
Dec 94 p A2

[Editorial: "The Challenges of the Summit of the Americas"]

[FBIS Translated Text] The Summit of the Americas has obtained quite positive results on two basic issues: reasserting the need to consolidate the democratic system in the hemisphere, and the decision to establish a free trade area at the continental level by the year 2005.

Regarding the first issue, the political will of the 34 heads of state is included in the Declaration of Principles which, like a philosophical document, establishes the following basic ideas:

The Americas are a community of democratic societies. All countries in the region are devoted to achieving prosperity through the opening of markets, inter-American integration, and sustainable development.

Based on the above, the presidents state that: "Democracy is strengthened through the modernization of the state." Consequently, they uphold that all social groups must have access to independent judicial systems, and that government corruption must be fought in an overall manner because it is an element of social disruption that distorts the economic system and undermines the legitimacy of political institutions.

Moreover, they state that they will fight the production, consumption, and distribution of, and trafficking in, illegal drugs and the "laundering" of money and arms trafficking. To this effect, they also assume the commitment of drafting viable strategies for the promotion of alternative development programs in drug producing countries.

Furthermore, the dignitaries condemn all forms of terrorism and make the commitment to combat it in a joint and firm manner.

From the economic point of view, they decided to establish an inter-American infrastructure for assisting and financing private enterprise and international financial institutions.

They also acknowledge the serious problems caused by the foreign debt, and specify that it is "morally and politically intolerable and inadmissible" for some social groups not to have access to the benefits of development. Moreover, they make the commitment of safeguarding sustainable development and the environment.

It is worth mentioning that the Declaration of Principles grants a leading role to the OAS, the IDB [Inter-American Development Bank], and the ECLA [Economic Commission for Latin America], and to the "coordination, articulation, and promotion of established goals."

At the same time, the Action Plan signed at the Miami summit expands, in four chapters, upon the main issues regarding the strengthening of democracy, free trade in the Americas, the overcoming of poverty, and the safeguarding of the environment.

In view of the original objectives of the summit, we believe it is of particular interest to refer to the first point: the safeguarding and strengthening of democratic communities of the Americas. Unlike what happened 27 years ago at the Punta del Este summit, this time around special emphasis is assigned to the essential "political priority" of the group of nations to consolidate a system of government based on freedom. Within this framework, and although submission to international organizations is acknowledged, it is also very opportune that the "due respect for the principle of nonintervention" and human rights have been duly established.

Regarding drug enforcement, it is equally encouraging that drug consumer and producer countries have assumed their shared responsibility. Consequently, they have assumed the obligation to work jointly to eradicate this scourge. As has already been mentioned, it is also only fair to admit that progress has been achieved by stating that "repression is not enough, but rather an entire strategy is needed to combat the drug problem and to support the replacement of crops and combat poverty."

Terrorism, which is an issue of so much interest to our country, was properly addressed. As our president has stated, although the government acknowledges isolated human rights violations cases, it has been established that international terrorism is the major perpetrator of human rights violation cases.

It is important to make the following observations regarding the decision to establish a Free Trade Area of the Americas (FTAA): The goal for the year 2005 implies that during this 10-year period, the structural adjustment process currently under way in our countries must be consolidated; that, in addition, the democratic systems must be stabilized; and that we must achieve homogeneous political and trade criteria by assuming not only the decisions in the "Uruguay Round" of the GATT but also by incorporating the countries of the Americas in the new World Trade Organization (WTO).

The invitation extended to Chile to join NAFTA—comprising the United States, Canada and Mexico—is a challenge for the other Latin American countries, which must make their own economies more dynamic and also revise the programs proposed by subregional organizations such as the Andean Pact and Mercosur [Common Market of the South].

Editorial Outlines Main Objectives of Summit

PY2212001394 Lima EL PERUANO in Spanish 12 Dec 94 p A2

[Editorial: "The Summit of the Americas"]

[FBIS Translated Text] Some 34 chiefs of state from the Americas have established what will be the main guidelines of our continent into the next century.

Of course, no concrete agreements were to be expected because this will follow the development of the principles agreed upon at the Miami summit. Nevertheless, both the Declaration of Principles and the Plan of Action express a desire for cooperation toward respect for human beings and a life in freedom throughout the continent.

The commitment is "to work to strengthen the democratic institutions, to promote the defense of the constitutional democratic regimes" and to point out those which have become their main foes: corruption, terrorism, and drug trafficking.

Concerning corruption, they conclude that "it represents a factor of social disintegration and distortion of the economic system which undermines the legitimacy of the democratic institutions. [no closing quotation marks as published]

With regard to drug trafficking and terrorism, it is appropriate to stress the support given to the Peruvian position in both aspects. As the president of the Republic pointed out today on the drug trafficking issue, repression complements economic development and the anti-poverty campaign. Moreover, the Declaration of Principles includes a unanimous condemnation of "terrorism in all its forms."

The 29-page Plan of Action includes detailed guidelines on tasks that remain ahead of the continent, committing us to strengthen democracy; to promote and protect human rights; to strengthen society and the community participation; to promote cultural values; to fight corruption, illegal drugs, and related problems; to eliminate the threat of national and international terrorism; and to nurture mutual confidence.

The announcement, however, of the creation of a Free Market Zone embracing the Americas by 2005 is the agreement which prompted the greatest expectation, provided that it means a market of 850 million consumers.

These are, therefore, the great tasks that require the willingness of our governments and essentially the commitment of our societies to build our future.

Venezuela

Minister To Meet Creditors; Bond Issue 'Successful'

PA2212171994 Caracas ECONOMIA HOY in Spanish 20 Dec 94 p 11

[Report by J. Gregorio Yezpez]

[FBIS Translated Text] Official sources report that Finance Minister Julio Sosa Rodriguez has traveled to

Paris to meet with the creditors of the debt that has still not been renegotiated. The sources did not reveal the finance minister's agenda in the Gallic country.

It was learned, however, that he will meet with the Paris Club creditors. Payment of this debt has been delayed. The government hopes to pay it in full with treasury bonds issued by the executive.

According to official sources, the maturity of the debt instrument is more advantageous than the zero coupon bonds. Thus, they have been successful and are meeting the expectations of government specialists.

Likewise, the sources indicated that the treasury bond issue is creating a secondary financial market which, according to government specialists, will be beneficial because it will further a long-term market for the debt instruments issued by the Republic.

Government specialists said that the treasury bonds, which the government has already placed on the market, are already moving on the secondary market. According to the sources, a little over 50 billion bolivares in "Class A" debt instruments moved last week.

The main characteristic of the first bonds placed on the market is that they have a two-year maturity date. They thus allow the executive more time to settle its obligations. By comparison, even the longest-term zero coupon bonds have a maturity date of only 90 days.

Later, the sources asserted that they expect to place all "Class A" treasury bonds on the market before the year ends.

Government sources stated that this issue will simplify what could be the secondary market's operations because all documents have a single maturity date and the documents can be negotiated more effectively before they mature.

The rest of those bonds, worth approximately 60 billion bolivares, are three-year instruments. This completes the issue authorized by the Congress of the Republic.

The yield of the debt instruments varies. It can be calculated based on the average of the last three zero coupon bonds issued plus 3 percent. Thus, the instruments are more attractive because they offer better interest than the zero coupon bonds.

Government Set To Issue More Bonds

PA2412012294 Caracas EL NACIONAL in Spanish 22 Dec 94 p D-5

[Report by Yolanda Ojeda Reyes]

[FBIS Translated Text] Of the 160 billion bolivares worth of treasury bonds authorized for issuance, 80 billion bolivares worth of bonds have already been placed on the market. The issuance is intended to "collect" funds to pay more than \$900 million of foreign debt obligations that came due this year.

This even surprised the government's own specialists, who had expected to issue no more than 40 billion bolivares worth of bonds. The rest of the bonds will be offered in January, when zero coupon bonds are scheduled to reappear with the sole purpose of stabilizing the market's interest rates.

Banks may cash in their treasury bonds at the Central Bank of Venezuela whenever they need to. One reason would be to counter some sort of temporary problem with their liquid assets. It was also announced that a secondary market would be put into motion.

Shares worth \$1 billion will be placed on the domestic market toward the end of January. By then the government hopes to have placed all treasury bonds. This month 145.113 billion bolivares worth of several types of instruments will reach maturity.

The money markets will continue to come under pressure unless other mechanisms are found. Shares represent only 170 billion bolivares, versus the 400 billion bolivares in zero coupon bonds that mature in February and March. The government also has the firm intention of offering the remainder of the bonds the National Congress approved for the Deposit Guarantee and Banking Protection Fund (approximately 140 billion bolivares).

The second portion of the \$1 billion in shares remain pending in the domestic market. [sentence as published] Specialists believe that the program might be completed by the second quarter, although it will depend on how well the market moves.

Also, the executive branch is thinking of expediting the order for new paper money and issuing it by January. This would allow the government to "destroy" more than 200 billion bolivares, thereby reducing the inflationary impact of increased liquidity.

The third portion of these shares (\$1 billion) will be directed at yet another objective. The emission will be made in March and offered on international markets. The proceeds will serve to cancel the unstructured portion of the debt due in 1995. The Morgan Investment Bank made an initial assessment and believes that the offering will be attractive as long as the shares mature within three to seven years and interest coupons are calculated every quarter, discounted, and issued in low denominations.

The government is pleased with the economic results, even though inflation is running at about 70 percent, the economy shrank by 4 percent, and unemployment is up to 14 percent. A high-ranking government spokesperson said: "The situation could have been worse, given the economic crisis. If it had not been for that, the story would have been different and the government's finances would have been balanced, because internal tax collections did improve significantly." No increase in

the rate of inflation is expected this month, which will probably be similar to November's 4 percent.

JAC Facilitates Procurement of Foreign Exchange

PA2512004394 Caracas *Venezolana de Television Network in Spanish* 1630 GMT 23 Dec 94

[Report by Zayda Pereira; from "The News" newscast]

[FBIS Translated Text] Now that new resolutions have been issued by the Exchange Administration Board [JAC], the process to obtain foreign exchange should take no more than eight days. Of course, this will depend on how efficiently private banks handle the paperwork.

In 1995, importers will be able to better estimate the time in which they can receive foreign exchange, because the JAC will take between three and four days to process requests, while the Central Bank will take two days. The rest will be up to private banks.

While speaking to the media to review the activities conducted by the JAC over the past six months, JAC Coordinator Luis Raul Matos Azocar said the gloomiest of predictions failed to come true because foreign investments continued to enter the country. International reserves recovered quickly and an unprecedented legal framework was established with no cases of corruption reported.

In reviewing the JAC's work, Matos said foreign exchange authorizations have become more flexible. So far, he noted, transactions totaling \$2.8 billion have been handled. Importers were involved in 67 percent of those transactions; travelers were involved in 15 percent of the transactions, receiving some \$469 million in foreign exchange; and \$482 million was allocated to foreign debt payments. Meanwhile, 64 resolutions were approved, which included means to facilitate the foreign exchange procurement process. According to Matos Azocar, the last resolution approved establishes mechanisms that will enable banks to hand out foreign exchange more expeditiously.

[Begin Matos recording] We have approved a series of resolutions that will initiate greater flexibility in what we shall call the third stage of the exchange system. There will be a clearer relationship between banks and their clients. We had noticed that of the foreign exchange requests we had approved, some 50 percent had not materialized. [end recording]

An new office will begin handling customer requests at the same building out of which the JAC operates. The office is now ready to handle special cases.

As for existing permits for medicines and medical treatment, Matos Azocar said that, for the time being, no irregularities have been detected.

Foreign Investments in Financial Sector Summarized

PA2312230394 Caracas *EL NACIONAL in Spanish* 22 Dec 94 pp C-2, D-12

[FBIS Translated Text] Acting Finance Minister Luis Xavier Grisanti has reported that foreign investments in the financial sector totaled \$65.3 million (10.073 billion bolivares) in 1994.

He noted that this shows that despite the country's serious financial crisis, foreign investors have confidence in Venezuela's banking system and foresee Venezuela's economic recovery. He added that those investments were possible thanks to the new Banking Law, the legal instrument that opened national banks to foreign capital.

Grisanti said that considering that these foreign investments were made during a period of economic turmoil, prospects for 1995 are very encouraging for the economy as a whole, especially the financial sector.

Here is a breakdown of foreign investments in the financial sector: ING Bank and Amro Bank invested \$7.1 million each (those two institutions are scheduled to begin operations in 1995); Banco Exterior invested \$7.9 million; Banco do Brasil \$1.1 million; City Bank reinvested \$17.7 million; Banco Provincial reinvested \$17.9 million; Banco Tequendama invested \$4.1 million, and the Extabandes [expansion unknown] \$2.4 million.

Government Takes Control of Cemento Andino Assets

PA2412023694 Caracas *Venezolana de Television Network in Spanish* 1630 GMT 22 Dec 94

[From "The News" newscast]

[FBIS Translated Text] After several years and a lengthy trial, the Venezuelan state has taken control of all of Cemento Andino's assets. According to Carlos Bernardez, president of the Venezuelan Investment Fund, the seizure is designed to recover 31 billion bolivares—a debt incurred with the Venezuelan Development Corporation that accumulated over time. Cemento Andino is expected to be privatized in 1995.

[Begin recording] [Bernardez] I believe this is a very good solution to the problem—the best one solution. If more time had elapsed, the difference between the value of the company and the amount recovered in lieu of the debt would have been greater and greater. Today we can say we are finally obtaining the property, and we will be able to make use of it in the near future.

[Attorney General Jesus Petit Da Acosta] We are receiving the property from Tocapi Real Estate, which is owned by the Carrillo Gil Group. Dr. Juan Jose Carrillo Gil has come to turn over the property from Tocapi Real Estate to reduce the debt owed to Banco Latino. [end recording]

Caldera Names Anticorruption Presidential Commissioner

PA2312023494 Caracas EL GLOBO in Spanish 22 Dec 94 p 2

[FBIS Translated Text] Adolfo Gonzalez Urdaneta was sworn in yesterday as Anticorruption Presidential Commissioner. The ceremony was held in the Miraflores Presidential Palace where the president invested upon him the responsibility to oversee the correct handling of public funds.

Gonzalez Urdaneta is a long-time teacher and politician, who held posts of very high responsibility in the People's Electoral Movement party.

The president believes that Gonzalez Urdaneta is properly qualified for the job.

One of Gonzalez Urdaneta's tasks is to investigate reports of administrative irregularities with government funds by officials in the Rafael Caldera administration.

With this appointment the president is adhering to the announcement he made to the Venezuelan people before departing to attend the Summit of the Americas, held in Miami between 9-11 December, where he took his anticorruption proposal. According to Caldera, this appointment responds to the need, according to his own words, "to brandish moral flags in Venezuela and bring dignity back to the country."

Cabinet Decides To Militarize Violent Jails

PA2312194394 Caracas ECONOMIA HOY in Spanish 22 Dec 94 p 3

[Report by Rafael Rodriguez Olmos]

[FBIS Translated Text] The Council of Ministers spent most of the time yesterday discussing the jail problem, which could worsen if no solution is found. Thus, the cabinet decided to militarize the jails in which more violent incidents have occurred, including: the General Penitentiary of Venezuela, in San Juan de los Morros; the Tocuyito and La Maxima Jails, both in Carabobo State; the Tocoron Prison in Aragua; El Rodeo Jail on the Caucagua Highway; and the Valle del Tuy Jail.

Justice Minister Ruben Creixems announced the jails will be partially militarized. The National Guard will be in charge of the external and internal custody, while administrative offices will continue functioning.

He said the measure will remain in effect for some time not only to control current conflicts but also to prevent a possible simultaneous mutiny reportedly planned for the next few days in several jails in the country. Creixems also said he will not tolerate, as the highest authority, the transfer of prisoners as a result of blackmail.

Another agreement reached by the cabinet was declaring that any worker in the penitentiary system can be freely

removed. This measure, which also was adopted by the Immigrations Directorate, will facilitate the removal of any employee involved in irregular activities. In that regard, the Chamber of Deputies Foreign Policy Committee has summoned the justice minister, as well as the jail directors, on several occasions. Parliamentarian Walter Marquez has demanded Creixems's removal, but his request did not have the necessary support.

The director of the Catia Jail resigned days ago, saying levels of corruption are high in that jail among the personnel in charge of surveillance. He also protested the lack of support they have received, because the jail lacks the necessary funds and the basic working tools.

Upgrading Equipment and Appointments

Another agreement reached by the Council of Ministers was the approval of a public credit for the Armed Forces for \$5.9 billion to upgrade 300 Fiat trucks, which are in very bad condition. We must clarify this credit was already under the Umbrella Law and only needed the cabinet's approval.

Meanwhile, Information Minister Guillermo Alvarez Bajares has announced a public credit for 200 million bolívares was approved to repair roads, bridges, and aqueducts.

Hidroven [expansion unknown] has presented a tariff problem and has reported a deficit, but no decision was made.

The cabinet also has agreed to totally reorganize the Labor Ministry. Minister Juan Nepomuceno Garrido was given 60 days to present a reorganizational plan.

Finally, President Rafael Caldera has appointed Adolfo Gonzalez Urdaneta, former secretary general of the People's Electoral Movement, as high commissioner to supervise public administration.

President Pardons Former Interior Minister

PA2412222594 Caracas Venezolana de Television Network in Spanish 1630 GMT 23 Dec 94

[From "The News" newscast]

[FBIS Translated Text] President Rafael Caldera has pardoned former Interior Minister Dr. Alejandro Izaguirre. As you may recall, Izaguirre, along with former President Carlos Andres Perez and Reynaldo Figueredo Planchar, was accused of being involved in the case of the 250 million bolívares worth of discretionary funds. The head of state granted the pardon in accordance with the powers vested in him under Article 190, Section 91, of the Constitution.

Meanwhile, journalists also received a good news from the president. The president signed the new Journalism Law—a legal instrument that will strengthen freedom of expression and career service rights of all journalists.

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